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Preparations Under Way for Minsk CIS Summit

Minsk Summit Agenda Summarized

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[FBIS Editorial Report] Moscow ITAR-TASS World Service in Russian at 1244 GMT on 24 May carries a 45-line, Minsk-datelined report by BELINFORM-TASS correspondents Vladimir Golod and Larisa Lazar on the meeting of the CIS Council of Heads of State and Heads of Government which will be held in Minsk on 26 May.

The CIS presidents and prime ministers will give their views on setting up an inter-state currency committee. Two draft conventions will be discussed at the summit: on human rights and basic freedoms and on the inter-parliamentary assembly of the Commonwealth member-states.

The CIS presidents will consider the blueprint and the draft treaty on the protection of borders between the CIS member states and the states which are not CIS members. Decisions are expected on extending the stay of the CIS collective peacekeeping forces in Tajikistan, on a comprehensive plan for the settlement of the conflict in Abkhazia and on transportation of special military cargoes.

The agenda includes a large package of documents relating to the Collective Security Treaty.

The heads of government will concentrate their attention on economic cooperation. They will discuss the settlement of inter-state accounts as a result of trade and economic cooperation in 1992-1993, the agreement on jointly creating additional capacities at the motor works in Yelabuga, draft documents on cooperation in use of compressed natural gas in the motor vehicle transport, and on cooperation in protecting civil aviation against illegal interference.

It has become known that the prime ministers will approve the setting up of an inter-state center for nuclear energy and mutual assistance in eliminating aftermath of radioactive pollution and a council for cultural cooperation within the CIS. They will also discuss cooperation in the sphere of TV communications, in the fight against organized crime and in other fields.

Belarus Referendum Sets Scene

MM2405112895 Moscow ROSSIYSKAYA GAZETA First Edition in Russian 24 May 95 p 7

[Article by Mikhail Shchipanov: "Seeking Experience in Minsk? Meeting of CIS Presidents Will Be Decked in Belarusian Colors"]

[FBIS Translated Text] Naturally, back in February in Almaty, when they chose Minsk as the venue for the May meeting of Commonwealth heads of state and government, the last thing on the CIS leaders' minds was the possibility of President Lukashenka's holding a referendum without precedent in the post-Soviet area. However, the Belarusian voice in the big political tune being played in the near abroad cannot be erased, and the situation that has taken shape in the republic since the referendum creates a particular background for the entire summit.

And that appears to be the fate of Minsk today — this is the second time it has hosted a summit with a characteristic "referendum flavor." In spring 1993 it was also in the Belarusian capital that the presidents of the near abroad assembled in order to express their combined moral support for the Russian leader on the very eve of the referendum that has now become a classic of Russian history, with its four questions (remember? yes; yes; no; yes). It must be said that in those historic circumstances Boris Nikolayevich's presidential colleagues helped him to score additional political points.

But now the context is different and far more interesting. The history of CIS diplomacy has yet to see the heads of the new independent states converging on a friendly capital if not actually to study local experience in the traditional Soviet sense, then at least to analyze it comprehensively. It's no joke! Alyaksandr Lukashenka submitted for nationwide consultation questions that are so vital to the future of the CIS that in many of the post-Soviet republics they prefer not to raise them even in private conversation. Take, for instance, the Russian language, which even in countries with a half Slav population has acquired the ignominious status of the "language of interethnic intercourse."

At the same time it is certainly no accident that the Russian Foreign Ministry let it be known beforehand that the results of the Belarusian referendum and its possible strategic consequences will be among the focal points of the entire Minsk summit. For the first time the model of historically determined rapprochement between the former "Soviet republics" has ceased to be the monopoly of the local post-Soviet elites who constantly engage in geopolitical games on the pretext of forming their country's new state interests.

The referendum should also focus the attention of the participants in the Minsk meeting because attempts are already being made by the CIS countries' Western partners to isolate Lukashenka's administration within the Commonwealth. The "specter of rebirth of the Union from below," that is, by a means that certainly cannot be explained away in terms of Russian imperial intrigues, is all too frightening to the West. They have even begun to insist to Russia, the main "commonwealth-forming" factor, that its intensive integration with Belarus will revive the specter of the "Cold War" (?!). To say nothing of the fact that the republic will supposedly be a millstone around Russia's neck.

So the summit participants cannot, after all, avoid assessing the "Belarusian experiment," although their assessments will obviously differ. Suffice it to recall the sharp rejection by the central Ukrainian authorities of the modest mini-referendums conducted on that same problem of the status of the Russian language in Odessa and Donetsk Oblasts.

The CIS looks more like a form of collaboration among countries in the post-Soviet area on a number of issues than an arena for real joint action. And elegant phrases borrowed from the vocabulary of the EEC of the seventies, like a "multi-speed Commonwealth," no longer fully reflect the nature of the processes taking place in the CIS.

First, the Commonwealth is gradually acquiring a manifestly multi-polar nature. On one flank, for instance, there is the Russia-Belarus tandem, which has real prospects; on the other the Central Asian countries whose leaders refer increasingly frequently to a united Turkestan. Second, an effective interests mechanism is becoming established on the basis not so much of broad multilateral agreements as of bilateral treaties between countries of the near abroad and Russia, and these bear the main burden of significance. And when the Russian president has stressed with particular emphasis that Turkmenistan has become the first partner with whom Moscow is entering into a strategic alliance until the year 2000, one can conclude that agreements similar in form and duration will be signed in the near future with certain other Commonwealth members.

So the architecture of the CIS is increasingly clearly taking on the form of a kind of daisy flower with Russia remaining the center from which the "petals" of partnership treaties radiate out.

It cannot be ruled out that this scenario also suits many of the CIS members, who probably see it as an opportunity to extend their own scope for foreign policy and economic maneuvering. Hence the success of the visit to Moscow by S. Niyazov, leader of a country that is notable at Commonwealth summits for a degree of toughness on a number of problems.

But at the moment, in Minsk, the solo part will rightly belong to President Alyaksandr Lukashenka.

Russian Minister Previews Summit

MM2405132095 Moscow ROSSIYSKIYE VESTI in Russian 24 May 95 p 3

[Interview with Valeriy Serov, Russian Federation minister for cooperation with the CIS states, by Yuriy Popov: "Integration Experiences Birth Pangs, Like Any Other Living Thing"]

[FBIS Translated Text] The next session of the Council of CIS Heads of State takes place on 26 May in Minsk. There are eight items on the agenda [passage illegible, approximately 150 words of introduction]. On the eve of the Minsk summit our correspondent Yuriy Popov asked Valeriy Serov, Russian Federation Minister for Cooperation with the CIS States to talk about the current state of integration processes in the CIS.

[Popov] Valeriy Mikhaylovich, critics of integration in the CIS claim that it is difficult to implement since it is allegedly based on the "principle of internationalism," which has nothing to do with the laws of the world market. Is this the case?

[Serov] It is not entirely clear what you imply by "principle of internationalism." If you mean processes of the internationalization of economic life, they form the basis of the foreign economic policy of the majority of world states, and the Commonwealth countries are no exception.

But if we are talking about the mention of some abstract principle of internationalism in official documents determining the aims, objectives, and mechanisms of integration in the CIS, then you won't find anything along those lines either in the Treaty on the Creation of the Economic Union (and that is the fundamental document) or in subsequent agreements concluded for the purpose of developing this Treaty. Indeed the practice of our mutual relations with partners takes into account all the current realities, and that is above all the state sovereignty of the participants of the integration process and the formation of an open market economy in the Commonwealth countries.

So market laws are the real substance of our cooperation.

[Popov] There are those who believe that the unification process in the CIS countries' economies is in many ways attended by a disproportionate contribution by Russia: It is bearing a major burden to the detriment of its taxpayers. Isn't this process intended to help Russia to a large extent?

[Serov] The entire wealth of world experience of integration convincingly shows that unification processes are bound to fail unless they are based on the partners' mutual commitment.

Three years of sovereign life have been for the republics of the former USSR, including Russia, an important stage in the recognition of their national-state interests. This process has been a pretty agonizing one. There was a time when it seemed to the young states that their fundamental interests lay entirely outside the CIS, while the Commonwealth itself was seen merely as a means of "civilized divorce." Now barely a trace remains of these illusions: Economics and other factors have taken over.

It took only a year to see that the wreckage of mutual links could not be rebuilt overnight, and in many cases it was simply inadvisable. Recognition of this fact is our common achievement, for which we have paid a high price. It is now clear that the CIS states have entirely objective and long-term economic interests vis-a-vis one another.

Russia has them too. Suffice it to recall that as part of the USSR it would import 23 percent of the machine building products it required from the other republics, together with more than one-third of the ferrous and nonferrous metallurgy products, approximately one-fourth of the chemical and light industry products, and practically 100 percent of many types of nonferrous metals and rare-earth elements, cotton, locomotives, cars for electric trains, corn- and beet-harvesting combines, and so on. So if Russia is helping anyone by participating in integration it is primarily itself, since it will be very difficult to recreate a powerful Russian state quickly outside the CIS.

Naturally, our partners have their own, entirely material interests vis-a-vis Russia. Incidentally, therein lies an essential prerequisite of effective and mutually advantageous collaboration. We intend to coordinate these interests, in accordance with the accepted procedure in world practice, while endeavoring to prevent one-sided advantages — for one side or another.

[Popov] Is it possible to create in practice a single economic area on the territory of the former USSR in conditions where a genuine market has not yet been established either within the CIS countries or in relations between them? Maybe we should preserve the old system of division of labor and leave it at that?

[Serov] Your question is entirely natural. In fact, in accordance with economic theory, a single market area presupposes developed market relations both within the cooperating states and in the sphere of their collaboration. It is true also that in both cases market mechanisms are in the process of formation.

But allow me to ask a question in return: How are we to exist today, how are we to implement even traditional trade and cooperative deliveries, without which no national economy in the CIS can function normally? We can no longer cooperate in accordance with the old, "union" principles since states are not interested in resurrecting the old system.

As we see it, the solution is to create a single economic area gradually, as the market foundations in the CIS countries grow stronger. In so doing it is extremely important to ensure the future compatibility of national economic systems. And to achieve this you need to coordinate the transformations being conducted by the countries. This work is already been done in the areas of forming customs and payments unions.

As for resurrecting the old system of division of labor, you are unlikely to find any CIS state that would want this. Of course, a whole range of areas of their specialization will certainly be retained, since they are based either on natural conditions or on a high level of production. Elsewhere we are all in for radical restructuring, including in the cooperation sphere.

[Popov] How are the CIS countries fulfilling their commitments under interstate agreements? Is it not the case that the most "disciplined" is Russia?

[Serov] You have touched a very tender spot in our mutual relations. I would describe the situation as regards the fulfillment of international agreements as unsatisfactory. The actual results of trade and economic cooperation in ensuring interdependent deliveries in 1994 are as follows. According to "Roskontrakt" data, our partners fulfilled by 39 percent (in value terms) their commitments in imports of goods into Russia. And although this figure varies from country to country (Uzbekistan is 74 percent, Belarus 48 percent, Ukraine 30 percent, Kazakhstan 11 percent), the picture cannot be described as rosy.

Russia carried out 43 percent of export deliveries to the CIS states in terms of the value set by contracts, that is, we have nothing particular to shout about either.

It would be unfair to say that this situation is due to the partners' reluctance to fulfill their commitments. There are objective difficulties (crisis and decline in production), but there are also instances of a negligent attitude toward them as well. Clearly, this adverse trend must be eradicated. We need a mechanism that would ensure by economic means the meticulous fulfillment of mutual commitments. We are working on this at the moment.

[Popov] In Almaty there was serious criticism of the sluggish way decisions already made by the CIS countries in the integration sphere are being implemented. This applies in particular to the organization of the Interstate Economic Committee [IEC]. How do things stand at the moment?

[Serov] In fact, the big hopes the Commonwealth countries are pinning on the creation of the IEC and the entire course of the implementation of the decisions to establish it make a poor match. Suffice it to cite the following example: One IEC presidium session had to be postponed merely because not all the participating states had submitted their plenipotentiary representative candidates by the appointed time. Need I say more....

Now things have gotten moving somewhat and several sessions of the IEC presidium and collegium have already taken place. At the same time, the committee is not yet fully operating. There are problems with premises and funding. But the main problem is the formation of the apparatus. It turns out that the number of highly skilled specialists capable of tackling the complex tasks of creating the new mechanism of cooperation in the CIS is extremely small. Essentially, they are all concentrated in the Russian Ministry for Cooperation.

This suggests the idea of making the Ministry for Cooperation part of the IEC apparatus, which will enable us to keep cadres together and provide the IEC with quality people. Interestingly enough, there have been similar proposals before from our partners. I think we should heed them. Particularly as our ministry is already effectively performing the IEC's functions.

[Popov] What about the implementation of the recent summit's other decisions?

[Serov] The Almaty meeting of CIS heads of state and heads of government made a number of fundamentally important decisions.

I would single out the question of recreating a common scientific area. We are well aware of the role of scientific-technical cooperation in present-day integration processes. For example, in the EC it was the engine that actually powered the participating states to a qualitatively different level of development.

A provisional working group of CIS countries' representatives has now been set up to implement the accords that were reached. It is elaborating such fundamental documents as a blueprint for the recreation of a common scientific-technical area, a program of coordinated actions to implement it, and a draft agreement on it.

The "Principles of the CIS States' Customs Legislation," adopted by the Council of Heads of State, are equally significant, particularly in connection with the formation of the customs union. What we have on the agenda now is the CIS countries' task of bringing their customs codes into line with the "Principles...." Belarus and Kazakhstan have already done this work. According to available information, Uzbekistan, Kyrgyzstan, and Tajikistan have embarked on the work.

The Almaty meeting also adopted another two important documents aimed at harmonizing national economic systems. I am referring to the blueprint for the mutual legal regulation of economic relations and leveling out of the conditions of economic activity in the states of the Economic Union and the agreement on comparable methodologies and the creation of a common statistical base for the Economic Union.

I don't think there is any need to say a great deal about their significance for the development of integration in its modern form.

The relevant groups and commissions have already embarked on the practical implementation of the adopted decisions.

[Popov] What practical forms is the integration process currently assuming?

[Serov] I have just answered that question, in fact. All I can add is that we are actually completing the stage of devising a model for the integration mechanism and are embarking on putting it into practice. The next target is the creation of customs and payments unions, which we see not only as means of removing all manner of artificial barriers in the way of cooperation, but also a significant step toward a single market area.

[Popov] What is preventing the independent CIS states from rapidly creating their own "common market"?

[Serov] There are many factors. Above all the extent of the collapse of mutual ties in the period immediately after sovereignties were declared. Restoring them turned out to be a far more complex task. Second (and this derives from the first), the deep crisis in production is hampering this work in a major way. A common market is incompatible with a lack of goods. But the latter is a fact of our life.

Third and last, over the past three years each of the states has carried out reforms according to its own taste, so to speak, without really consulting or considering its partners. As a result our economic systems do not fit together and our task now is to bring them close together, to harmonize them. I have already said how we intend to do this.

The upcoming Minsk summit on Friday I believe will be another step on the road to integration in the CIS. Of course, there are no easy and simple solutions to matters such as these: This is indicated by the agenda, which includes an item on the trouble spot in Tajikistan.

Nonetheless there are grounds for believing that both the general and the specific problems of cooperation among the Commonwealth states will be positively resolved. And that will enable us to forge ahead. All I will mention is the meeting participants' intention to jointly invest in the Yelabuga Truck Plant and also to implement the idea of replacing gasoline with gas in transport.

CIS Commanders of Border Troops Meet in Minsk

LD2505083495 Moscow ITAR-TASS in English 0803 GMT 25 May 95

[By Anatoliy Yurkin]

[FBIS Transcribed Text] MINSK May 25 (Itar-Tass) — A meeting of the Council of the Commanders of border troops of the Commonwealth of Independent States (CIS) countries opened in the capital of Belarus on Thursday.

The signing of a concept of and a Treaty on the Protection the Outer Borders of CIS by the Heads of State of CIS countries will make it possible to raise the efficiency of efforts to combat drug trafficking, criminal arms business, and smuggling, Colonel-General Andrey Nikolayev, Chairman of the Council and Director of the Federal Border Service of the Russian Federation, has told Itar- Tass.

"In the light of the changing situation in Europe and NATO's eastward expansion, the guarding of CIS borders acquires special importance not only to Belarus and Russia but to other CIS countries as well," Nikolayev emphasised.

Discuss Tajikistan, Other Issues

LD2505115595 Moscow Radio Rossii Network in Russian 1000 GMT 25 May 95

[FBIS Translated Text] Today, on the eve of a meeting of the CIS heads of state, the Council of the Commanders of border troops of the Commonwealth countries met in Minsk. Our correspondent Yuriy Svirko reports:

[Svirko] Preparations for a meeting of the CIS heads of state and heads of government scheduled to open in Minsk on Friday began with a meeting at the Commonwealth headquarters. Representatives of the CIS countries' border services assembled there. It opened an hour and a half later than planned due to an unscheduled meeting between the border troops commanders and Belarusian President Alyaksandr Lukashenka. After this meeting Colonel-General Andrey Nikolayev, head of the Russian federal border service, reported to the press that issues relating to the joint protection of the CIS external borders were discussed there. It is known that Belarus and Russia were the first to sign a corresponding treaty. Now an operational group of Russian border guards is working on Belarus's western borders.

At tomorrow's meeting the presidents of the CIS countries will try to extend this Russian-Belarusian model to the entire Commonwealth.

Andrey Nikolayev also said that the Council of the Commanders of border troops planned first of all to discuss the fulfillment of multilateral agreements signed earlier. According to Nikolayev, the issue of Tajikistan would become a main one. Russia does not want Russian border guards to be the only guards on the Tajik-Afghan border.

A conference on border issues will be held at the Minsk CIS headquarters in the morning. A joint sitting of the Councils of Foreign Ministers and Defense Ministers of the CIS states is planned to be held at 1900 Moscow time.

ITAR-TASS Carries Press Review for 25 May

LD2505081295 Moscow ITAR-TASS in English 0534 GMT 25 May 95

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW May 25 (Itar-Tass) — ROSSIYSKAYA GAZETA frontpages remarks made by Russian President Boris Yeltsin at the first meeting of the Council on Science and Technology Policy.

In the remarks published under the headline "From survival to development", the President states that "the problems of science are the concern of the entire Russian society and they should be tackled jointly".

The President also admitted the insufficiency of budget appropriations for the development of science. Yeltsin called for "overcoming the disunity of Academy, higher-school and sectoral science and scientific institutions in industry and the defence sector".

ROSSIYSKAYA GAZETA runs an article headlined "A 'licence' for Sholokhov", which recalls how the NKVD (The Russian acronym for the People's Commissariat for Internal Affairs) used to collect compromising materials about Mikhail Sholokhov, the author of the novel "Quiet flows the Don". The article is based on reminiscences of a security officer Ivan Pogorelov, who was involved in the efforts.

ROSSIYSKAYA GAZETA carries an article about the problems of Russian citizens who have remained at the Baltic Fleet's former naval base at Liepaja.

TRUD carries its special correspondent's report from the capital of Chechnya about the destiny of thousands of refugees from Groznyy.

ROSSIYSKIYE VESTI runs an interview with sociologist Yuriy Deryugin, Candidate of Science (Philosophy) about the threat of fascism in Russia.

Society, it seems, has finally become aware of a threat of fascism in Russia and all measures are being taken at various levels, including those at the top, to combat the evil. Deryugin examines the deep-seated roots of fascism and how democracy can counter it.

IZVESTIYA frontpages an account of the meeting of Russia's Security Council on Wednesday under the headline "Russia will cooperate with NATO if it does not expand eastward".

The newspaper's correspondent Vasiliy Kononenko reports that the Council adopted a decision on Russia's joining NATO's Partnership-for-Peace programme but with due regard for Russia's special stand on the issue, namely, the argument about the inadmissibility of NATO's eastward expansion.

"To Russia, NATO's Partnership-for-Peace programme is like a foundling for a childless family. The family dreamed of it and longed for it but its emergence, it turns out, brings a change to the customary tenor of life. And it is no longer possible to refuse to accept it, for the child is liked by many and the family may be left without it".

IZVESTIYA runs an article headlined "Taxes on natural persons are for the benefit of the population" by Mikhail Delyagin of the Russian President's Analytical Board.

"From the budgetary point of view, the first quarter of 1995 was successful as never before. However, the causes of the growth of revenue from centralised export and foreign-exchange rate difference are of one-off nature," Delyagin writes.

The state serves the one who brings in revenue, primarily in the form of taxes. In the developed countries, the bulk of the taxes (up to 80 percent) are paid by private persons. It is precisely this that is called democracy, Delyagin points out.

PRAVDA frontpages an article about the problems of health insurance — a new type of services for the citizens of Russia.

SOVETSKAYA ROSSIYA carries an article about the problems involved in the action to combat crime. The article deals with the case of Cossack ataman (chieftain) Mikhail Filin who is under investigation. The article describes methods by which law enforcement agencies conduct the investigation.

Results of National Security Council Meeting

Embraces European Security Concept

LD2405193195 Moscow INTERFAX in English 1719 GMT 24 May 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, and edited by Vladimir Shishlin]

[FBIS Transcribed Text] Under certain conditions, there is no need to evade partnership with NATO, in particular in the framework of the Partnership for Peace program. National Security Council Secretary Oleg Lobov said that this conclusion had been made by the council Wednesday in a session chaired by President Boris Yeltsin.

Lobov told journalists at the end of the meeting that this conclusion was dictated by the Russian concept of European security. Russia objects to NATO's expansion eastward "but we recognize the realities and believe that European security should be based on the OSCE [Organization for Security and Cooperation in Europe], which has more specific functions, NATO being a tool to ensure the security.

Lobov did not reject the possibility of linkage between the Russian position on Partnership of Peace and NATO expansion. He said that the Wednesday meeting of the National Security Council decided to endorse a concept of European security and continue the drafting of Russia's proposals on this issue that will be submitted to the G7 summit to be held in Halifax, Canada, next June.

In Lobov's words, a working group has been set up to draft these proposals. The group may be chaired by Yeltsin.

In response to an Interfax question Lobov said that he is not sure that negotiations under the OCSE auspices can start in Groznyy tomorrow or that they will be a success.

While he did not reject the possibility of various kinds of talks on a political settlement in Chechnya, Lobov was not sure that Dudayev regime officials are prepared to take part in them. He thought so because the Dudayev entourage rejected talks with the provisional authorities of Chechnya.

He denied media reports that the federal troops are preparing for a final assault on the remaining Dudayev strongholds in Chechnya. Lobov said that Moscow is still in favor of an early political resolution of the Chechen crisis provided that Dudayev's supporters also take a reasonable position.

He said that the National Security Council had discussed support of the Cossacks, "among whom there are 3.5 to four million able-bodied men," and passing a law to this effect.

Lobov added that to be a Cossack one has, in particular, sign a document certifying that he is in state service, military, border or customs. To put it differently, Lobov said, this Russian citizen has to be prepared to protect the country's borders at any time.

Lobov explained that the issues of the Cossack people structure, their economic revival, relations with local authorities and regulations of their state service have to be resolved. The revival of the Cossack people should not be allowed to proceed outside a legal framework.

The whole matter is so important for society that even in the absence of appropriate legislation the National Security Council decided to draft a presidential decree shortly, Lobov said.

He dismissed rumors of his nomination for mayor of the capital. Lobov has a deep respect for Mayor Yuriy Luzhkov and sees no need in replacing him. In Lobov's words, Luzhkov solves the most difficult construction or social issues.

Lobov admitted that Luzhkov is in the center of political intrigue, which is to be expected under a democracy.

Lobov added that he has resided less than 10 years in Moscow, a period required for anyone who runs for mayoralty.

Shumeyko Cited on NATO Expansion

LD2405185995 Moscow Radio Rossii Network in Russian 1700 GMT 24 May 95

[FBIS Translated Text] A sitting of the Russian Security Council was held today. After the end of the sitting Vladimir Shumeyko, who took part in its work, met with journalists. Our correspondent Vyacheslav Osipov reports.

[Osipov] The speaker of the upper chamber of the Federal Assembly said that two issues were examined, namely the situation of the Cossacks in Russia and problems of mutual relations between Russia and the NATO military-political bloc.

Regarding the Cossacks, Shumeyko reported that the Security Council recommended that the government should submit to the State Duma a law on the Cossacks within a month. It should be brought in line with the law on local self-government and the Land Code.

Vladimir Shumeyko did not disclose all the decisions touching on the mutual relations between Russia and the NATO bloc, but in his interview he noted:

[Begin Shumeyko recording] As to security in Europe, as far as this is concerned, this issue is being transferred into the sphere of cooperation between Russia and NATO. This issue, I know it well myself since during my late trips I had to, and here I am being visited by defense ministers and other people of various ranks and foreign visitors who put this question as follows: The expansion of NATO through acceptance of new members is closely tied up to partnership between Russia and NATO and to Partnership for Peace. That is we offer you partnership and you respond by expanding. It does not suit Russia, as a state. It is not in our interests to pose the question in this way.

I can repeat to you what I said in Great Britain quite recently. This is what I was told by high-ranking officials: Russia should simply understand that we cannot do it otherwise as the membership in the EU — the European Union — presupposes an obligatory membership of NATO because in such and such a year we adopted such and such a declaration, such and such a point, and in such and such a year we adopted such and such a declaration, such and such a point, etc — the enumeration of all the declarations follows. It is all clear; it is quite clear that the expansion of NATO through acceptance of new members — especially as they like to call themselves nowadays from Central Europe — it simply means that the other military-political bloc is drawing nearer to our borders. What does it mean? This means that they want to artificially turn Russia into a buffer of everything negative that is happening in the world. [end recording]

Council 'Did Not Exclude' Joining PFP

LD2405131095 Moscow ITAR-TASS in English
1255 GMT 24 May 95

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW, May 24 (Itar-Tass) — The Russian Security Council did not exclude Wednesday Moscow's joining the NATO Partnership for Peace programme.

Speaking to a news conference, Oleg Lobov, secretary of the council, said that he did not exclude that Russia would join the Partnership for Peace programme "in the near future". "However, this question needs thorough examination and must be closely linked to the problem of European Security", he said.

The Council has decided "to establish a special working group which would elaborate Russia's concept on the problem of European security, and particularly, on relationship between Russia and NATO," Lobov told a news conference after the Council's meeting.

Lobov reiterated Russia's stance that a new system of European security should be created on the principle of "equal rights for all European states to make decisions".

The Council's meeting stressed that the new security system should be created under the auspices of the Organisation for Security and Cooperation in Europe, whereas NATO should become "merely an instrument within such system".

Lobov Quoted at News Conference

MM2405162095 Moscow IZVESTIYA in Russian
25 May 95 p 1

[Report by Vasiliy Kononenko: "Russia Will Only Cooperate With NATO If This Bloc Does Not Creep Eastward"]

[FBIS Translated Text] Russia is not changing its position with regard to NATO and high-level negotiations between Russia and the United States on this topic will continue. This is the gist of the statement made by Security Council Secretary O. Lobov at a press conference 24 May directly after a Security Council session chaired by B. Yeltsin.

The Security Council secretary stated that two questions were examined at the session, the most important of which concerned the Russian Federation's policy on all-European security. He recalled that much thought was given to this question at Boris Yeltsin's meeting with Bill Clinton, in particular to the existence of NATO after the end of East-West confrontation. The Russian side frequently expressed the view that it was essential to create a new system of European security in which all countries would be equal and be able to choose how to ensure their security. As far as NATO is concerned, we also stated that this bloc's eastward expansion is undesirable and that a situation whereby the bloc could claim the leading role in Europe is impermissible. Therefore a decision was adopted at the Security Council session in accordance with A. Kozyrev's report for a new system of European security to be based on the principles of the OSCE, with NATO as part of this common system. A partnership with NATO of this type would be desirable, O. Lobov emphasized.

The Security Council secretary informed journalists that apart from this a decision was adopted at the session for Russia to join the "Partnership for Peace" program, but on our own terms. That is, a decision was adopted on the impermissibility of NATO's eastward expansion.

These two questions will certainly be linked, he said. O. Lobov did not rule out the possibility of this program being signed by a Russian representative 31 May, if all the relevant agreements have been reached by that time.

It was also reported at the press conference that the Security Council examined the question of the Cossacks' rehabilitation and a presidential edict on this subject should be prepared in the course of the month.

Government Urged To Accommodate NATO Expansion

MM2505111095 Moscow IZVESTIYA in Russian 25 May 95 p 1

[Article by Aleksandr Sychev under general headline: "Russia Will Cooperate With NATO Only If This Bloc Does Not Spread Eastward"]

[FBIS Translated Text] The NATO Partnership for Peace program is like a foundling for a childless family — they have dreamed of and wanted it but it turns out that its appearance will bring change to their normal way of life. But they cannot help but take it in because many other people have taken a liking to the child and they may end up with nothing.

The child was brought to Russia's door in January 1994 when the idea proposed previously by Washington took the form of a document and was approved during a meeting of NATO leaders in Brussels.

Since then the Partnership program has changed from being a means of moderating expectations into preparation for those who will be admitted to the alliance before the end of the century.

The Russian leadership began to toughen its stance on NATO and the Partnership program in December 1994 a few days after the North Atlantic Council officially decided to expand. Moscow finally saw that it would not be allowed any further than the Partnership for Peace program and the status of a strategic partner. Whereas all this will be just an interim stage for its former allies. It was then that President Yeltsin first spoke of the unacceptability of NATO's approaching Russia's borders. Then, having signed the Partnership program's framework document, Moscow shelved it in the hope of making Western Europe and Washington, the main motive force behind the idea of expanding NATO, see sense by albeit indirectly threatening the approach of a "cold peace."

Russia's motives are understandable and explicable. It is experiencing an external crisis at the same time as profound internal crises.

But all Moscow's exhortations and attempts to exert pressure do not seem to be producing the desired result. Some 24 states, including neutral Finland and Sweden and former republics of the Soviet Union, have already subscribed to the Partnership program. This year there are plans to conduct 11 military exercises involving all our former brothers in arms. And by December NATO will have approved regulations governing the admission of new members. Moscow has undoubtedly lost this battle and, by continuing to persist (judging by the tone, for appearance's sake alone), only intensifies its former allies' desire to get away from Russia.

Russia has done everything that could be done to preserve the customary alignment of forces in Europe. It is time to think about seeking a suitable place within the new coordinates.

NATO Warships' Increased Black Sea Presence Viewed

MM2405132395 Moscow KRASNAYA ZVEZDA in Russian 24 May 95 p 3

[Commentary by Vladimir Pasyakin: "NATO Warships Have Permanent Residence Permits in Black Sea"]

[FBIS Translated Text] Just a few years ago, a visit by NATO warships to the Black Sea was an extraordinary event. And when two U.S. warships — the cruiser Yorktown and the destroyer Caron — were forced to leave our territorial waters this was an event which went down in the history of the modern Black Sea Fleet (exhibits at the Black Sea Fleet museum describe that event today).

Now the situation has changed radically. NATO's ships feel quite at home in the Black Sea. Last fall, the U.S. 6th Fleet, for example, initiated the Maritime Partner-94 joint exercises there. Warships from eight countries, Russia among them, took part. And a naval test range complete with a full-scale shore infrastructure for NATO ships is being set up at Constanta (Romania).

The growing and strengthening Turkish navy is showing special activeness here. It cannot be ruled out that in the near future it could become the dominant force in the Black Sea. Each year it is being armed with modern Mecca-200 class ships, project 209 submarines, and Dagan class missile cutters armed with Harpoon missiles. If the armed forces' modernization program is fulfilled, by the year 2000 the Turkish Navy's total antiship missile power will rise from 108 missiles to 228 missiles.

And this is happening at a time when the Black Sea Fleet's forces afloat are dwindling year by year and the existing complement of ships and craft is declining constantly through being worn out and obsolete. Turkey is taking advantage of this to put its economy straight at our expense and increase the prosperity of its fellow citizens. No, this is not a question of the country's "traveling salesmen" taking second-class Turkish goods to the shores of Crimea and elsewhere and supply us with substandard food that is unfit to eat. The point is that recently more and more Turkish fishermen have begun to appear off Crimea's shores, depleting our already meager fish stocks. They are operating with ever increasing arrogance and impudence, aware of the weakness of Ukraine's maritime border guards: the fuel shortage and the problem of ship repair have essentially shackled the Border Troops maritime unit.

Now a word about Ukraine. NATO's ships recently began actively and not unsuccessfully trying to gain access to the Ukrainian port of Odessa. U.S. warships paid several calls here in the recent past alone. They were the Belknap, the flagship of the U.S. 6th Fleet, which was followed by the amphibious warfare ship Ponce. On 18 May a detachment of FRG warships under the flag of Admiral of the Flotilla Wolfgang Engelmann paid a visit to Odessa. There were eight West German ships in the detachment — the auxiliary Werra and seven minesweepers.

Odessa covered itself with eternal glory in the struggle against the fascist German invaders but now the vanquished have given the victors humanitarian aid worth 40,000 Marks — medicines for the impoverished Ukrainians. The medicines have been sent to a children's hospital and to Ukrainian navy personnel.

I would add to this that the NATO command has been carrying out its own events in Odessa. According to a Ukrainian Navy Press Center report, a joint seminar on naval law was held there 15-19 May sponsored by the U.S. naval school at Newport. In July-August there will be joint exercises by the U.S. and Ukrainian marines on the Black Sea coast involving the surface fleet and aviation. The U.S. servicemen will land on the Ukrainian coast in the region of Ochakov, the former Turkish fortress besieged by G.A. Potemkin's army in June 1788 and taken by storm on 6 December during the Russo-Turkish war. Ochakov became part of Russia under the Yasskiy peace treaty of 1791.

What are the prospects of such military cooperation for our peoples? Perhaps the Black Sea coast will soon cease to be ours but become part of the NATO coastal zone?

Ukraine's Lack of Response on Fleet Criticized

LD2405225795 Moscow INTERFAX in English 2039 GMT 24 May 95

[From the "Diplomatic Panorama" feature: Reports by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] MOSCOW, May 24 (Interfax) — Yuriy Dubinin, who has a rank of Deputy Foreign Minister of Russia and heads the Russian delegation at the talks with Ukraine on the Black Sea Fleet said in an interview with Interfax Wednesday that the fact that Ukraine has failed to give an answer to the Russian proposals yet, hinders the solution of the Black Sea Fleet problem.

He said that the proposals were communicated to the Ukrainian President Leonid Kuchma on May 13. "Russian President Boris Yeltsin reiterated them at the meeting with the Ukrainian Prime Minister Yevgeniy Marchuk in Moscow. Unfortunately, we have not received an adequate answer to our proposals so far," said Dubinin.

He said his "soul aches" over the destiny of the Black Sea Fleet. "In addition this problem has a purely humanitarian aspect. One must not forget either about the Black Sea Fleet sailors, whose destiny, just like that of the fleet itself, has not been decided yet, or about the influence this problem wields on the public opinion in Russia," said Dubinin.

Kuchma Proposes Changes to Policy on Fleet Bases

LD2505085495 Moscow ITAR-TASS World Service in Russian 0816 GMT 25 May 95

[By ITAR-TASS correspondent Andrey Shtorkh]

[FBIS Translated Text] Moscow, 25 May (ITAR-TASS) — Ukraine is suggesting changes to the principles already agreed on separate bases for the Ukrainian and Russian fleets and limits on the presence of the Black Sea Fleet in Sevastopol. These changes are set out in a message from President Leonid Kuchma to Russian President Boris Yeltsin. The ITAR-TASS correspondent learned this today from trustworthy sources.

The Russian head of state instructed his aides and the government to study the new proposals from Kiev and to formulate their own conclusions, the sources reported.

In their opinion, the proposal from Kiev basically suggests that the Black Sea Fleet will not have bases but a series of separate installations, including one in Sevastopol. It appears that Kiev does not intend to fundamentally change its rigid stand with regard to the Black Sea Fleet.

You may recall that in an interview to Russian Public Television yesterday, Boris Yeltsin stated that Russia would not be able to sign a treaty with Ukraine until the problem of the Black Sea Fleet is resolved.

U.S. Seen Losing Interest in Russia, Wooing Ukraine

MK2505090095 Moscow SEGODNYA in Russian 25 May 95 p 1

[Report by Mikhail Leontyev: "U.S.-Russian Relations in Light of Kuchma"]

[FBIS Translated Text] President Clinton's visit to President Kuchma marked a visible watershed in the quality of U.S.-Russian relations, showing up what has long been noted at expert level.

The apparently unexpectedly fruitful visit was almost immediately followed by the Ukraine-U.S. Peace Shield-95 war game at the Yavorivskiy test site which, according to the U.S. side, has "a higher status than analogous exercises in Poland, Macedonia and Russia." At the same time Leonid Kuchma went to Latvia and Estonia, which in the context of this visit can hardly be perceived other than a deliberate challenge to Russia. The fact that a substantial part of Russian-speaking "occupiers" in these countries, including the notorious "military pensioners," are ethnic Ukrainians, did not prevent the Ukraine president from fully ignoring such problems. As Latvia President Guntis Ulmanis aptly noted, their relations with Ukraine "cannot be affected by any outside pressure." Presumably he meant the U.S. side.

After all, President Kuchma, who was brought to power by the votes of the pro-Russian regions, did not promise anything to anybody except his electors. His "foreign policy" course is formed within the framework of two basic limitations: what is unequivocally allowed by Moscow and what is persistently recommended by Washington. From the point of view of U.S.-Russian relations Kuchma's extraordinary activity is only an indicator. Of course, Clinton and some other figures in the Washington administration, who in some way or another bound themselves to "support for Russian reform," are trying to save face and defend their programs of "assistance" to Russia. Yet one cannot fail to see that the showy rhetoric less and less seeks to cover up U.S. policy priorities with respect to Russia. And the limitation of "ideological" motives is best seen in comparison with Ukraine.

Ukraine is a country with a communist parliament, a virtual absence of freedom of the press, a still powerful and influential KGB (renamed Security Council), and is not at all in a hurry to undertake any market reform. This said, whereas the Russian authorities seek Western credits, trying to provide particular guarantees of "reform," the Ukraine authorities do not even have to ask: Credits are being offered without solicitation.

The United States is certainly interested in commodity and capital export as well as in expanding the positions of U.S. companies in Russia, especially the exclusive ones (the latter, incidentally, is far from always related to ensuring a macroeconomic equilibrium). Therefore the Americans, just like any other potential investors, are objectively interested in a normal investment climate, including in Russia.

Even so there are unmistakable signs: The United States could not care less about the "success of reform" and Russia's overcoming the economic crisis, let alone its future extraordinary economic prosperity. U.S. politicians and the U.S. public are afraid of a strong and healthy Russia — some honestly and some for clearly pragmatic considerations. Today our Western partners see a weak and sick Russia, and this suits them very well. Both the threat on the part of a strong Russia and the absence of the need to reckon with a weak Russia (see Brzezinski's statements at various periods) can serve as an argument in favor of NATO expansion. Everything that our Western allies wanted to get and for which they could have been forced to pay, they have already received effectively gratis.

This, however, does not mean that Russia, too, should lose interest in macroeconomic stabilization or in providing favorable conditions for investments, including foreign investments. We need a normal liberal Russian economy more than do the Americans. A public challenge to our national interests and our national sentiments should not be perceived (as is done by our communo- patriots) as a cause for political or economic eccentricities, capable of finally driving Russian into a coffin.

Building Plan for U.S. Embassy in Moscow Passed

MK2505075095 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 25 May 95 p 1

[Unattributed report under the "Hold the Front Page!" rubric: "Americans Begin To Seal Up Holes From 'Bugs' in Their Embassy"]

[FBIS Translated Text] A plan for the reconstruction of the new building of the U.S. Embassy in Moscow submitted by the Americans was wholly approved at yesterday's sitting of the architecture council of the Moscow Architecture Committee.

In the past, this embassy building, as many people know, caused a tremendous diplomatic furor and still remains unoccupied. MOSKOVSKIY KOMSOMOLETS has been told at the American Embassy that following the reconstruction, which is to take five years, embassy workers will finally start working in its offices.

A vast construction project will be launched on embassy grounds: plans call for adding two more floors to the embassy building, for completely rebuilding the inside premises and lending a completely different look to the entire embassy complex. The embassy compound will be rebuilt by the Americans themselves. For example, they are absolutely unhappy about the mud-red brick walls, for which reason the bricks are to be lined by a brighter building material in harmony with the structures rising next to the embassy.

Nuclear Specialists Not To Return From Iran

LD2405211195 Moscow INTERFAX in English 1944 GMT 24 May 95

[From the "Diplomatic Panorama" feature: Reports by our diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov and others]

[FBIS Transcribed Text] MOSCOW, May 24 (Interfax) — Russia is not going to recall its specialists from Iran, where they build an atomic power plant in the town of Busher, a high-ranking source at the Russian Foreign Ministry told Interfax Wednesday.

The source commented on a recent statement by U.S. State Department spokesman Nicholas Burns, who had spoken in favor of recalling all Russian nuclear specialists from Iran. The American diplomat explained that "leaks of information on nuclear military technology" were possible.

According to the Russian Foreign Ministry official, Moscow's position on cooperation with Iran in the sphere of atomic energy "remains the same." "We will continue our cooperation with Iran in the spheres of a purely peaceful nature. The construction of an atomic power plant is an example of such cooperation," he said.

The diplomat pointed out that Russian specialists in Iran are now doing preparatory work and nuclear technology is not involved yet.

"Of course our technicians will continue with the construction of the plant, and we will be sending our specialists there, granted that there is no military component in our cooperation," he said.

He described the Americans' apprehensions about possible leaks as "a remaining trace of the attack that was made on Russian-Iranian cooperation in the field of the peace atom." The diplomat said such leaks were ruled out by the very procedure used in Russia to select specialists to be sent to Iran and "above all" by the nature of the work they do.

"It is more in the interest of Russia than in that of the United States that no new nuclear states should appear along the borders of Russia and the Commonwealth of Independent States," the diplomat said. "But we have cooperated and will cooperate in the field of civilian atomic power engineering, within the framework of IAEA (International Atomic Energy Agency) rules, with member countries of the Treaty on the Nonproliferation of Nuclear Weapons, including Iran," the diplomat said.

Iran Deal, 'Atomic Myth' Related to U.S. Ties

MM2505133395 Moscow KRASNAYA ZVEZDA in Russian 24 May 95 p 3

[Article by Mikhail Rebrov: "The History of One Atomic Myth in Five Fragments"]

[FBIS Translated Text] **1. The Plot**

I do not want to cause trouble or enter into political discussions, but I certainly do not want to acquire a reputation for banality. However, you must agree that those people who for many long years tried to intimidate the world by means of the Russian military threat were never peacemakers themselves. Times are changing, you will say. Yes, that is true. The end of the Cold War and the cessation of East-West military confrontation (with absolutely no reservations) are the greatest achievements of our troubled and anxious century. However, that did not bring mankind's misfortunes to an end. The world continues to live in a state of war. After all, competition is also war. A fierce war. Casualties are inevitable. And even though the guns are not firing a great many acts of sabotage of the most diverse kind are being perpetrated.

2. The Aim Is To Humiliate Russia

In one such act the United States wants to wreck the Russian-Iranian nuclear electric power station construction project by any means possible. Russia's agreement to build the power station for Iran triggered a storm of indignation across the ocean which was followed by overt pressure. Iran, it was said, "is following a threshold nuclear policy, and nuclear power and nuclear weapons are one and the same thing." Let us suppose that this is true. But there must be no deliberate juggling of facts or substitution of concepts here. First we will build reactors which Iran cannot use to produce weapons-grade uranium and plutonium. It is important to stress that fact. Second, the agreement which has been concluded envisages permanent and rigorous monitoring by the IAEA.

Third and last, no one has the right to prohibit Iran from developing its own nuclear energy industry.

"Energy is the bread of industry," I.V. Kurchatov once said. Wise words. Mankind needs energy. The more energy there is the cheaper it becomes and the more mankind will be able to benefit. Nuclear power forms an extremely substantial percentage of the world's energy production at present. If we take individual countries the figures are as follows: Lithuania — 87 percent, France — 78 percent, Slovakia — 47 percent, Japan — 30 percent, the United States — 20 percent, Russia — 17 percent, and Finland — 12 percent. Whichever way you look at it, the basic arithmetic shows there is no alternative to nuclear-generated electricity today. Nevertheless, from the U.S. viewpoint Iran has no right to nuclear power. Nor, for that matter, does North Korea. The reason is that they want to generate electricity using Russian nuclear technology.

3. The Background

It is absolutely no coincidence that at virtually the same time as Washington was demanding that the Russian-Iranian project be scrapped passions began to be fueled over the safety of our nuclear electric power stations. And that was despite the many expert studies conducted by Western specialists (sometimes as many as 170 experts from 11 countries took part in them) which could find no reason to demand the immediate closure of our "electricity factories."

There is a generally accepted criterion known as probabilistic risk assessment. It is the same standard for all. For existing nuclear electric power stations it is supposed to be 10 to the power 4 of per reactor a year. This means that the likelihood of serious damage to a reactor must not exceed one incident per 10,000 years of its hypothetical working life. We fall within that range. So that demolishes the complaints about safety. What next then?

"The ecological threat," declare the zealous guardians of nature in the West. Yes, there are discharges. They also happen everywhere. For a 1,000-megawatt power unit the norm is reckoned to be 500 curies a day. Actual discharges at our nuclear electric power stations are 10 percent of that amount. Thus it turns out that even this argument is easily rebutted. So what is really going on? I will explain. It is the same reason as before — the desire to eliminate a powerful Russian competitor from the world market (I would remind you that the Iranian project is valued at $800 million). Furthermore, Russia has developed designs for several small-scale thermal and electric nuclear stations (Yelena, Angstrom, and others) which are attractive to Western clients. They are equipped with KLT-40 reactors, which performed well during many years of trouble-free operation on the ice-breakers Taymyr, Vaygach, and Lenin and have now been fitted to the ice-breaker Ural. A floating nuclear power station of this kind with a rating of two times 50 megawatts can produce two times 30 gigacalories an hour. It works in self-regulating mode and requires preventive maintenance only once every 15 years (that figure can be extended to once every 25 years).

There are quite a few foreign customers for this "commodity." As there are for other products marked "made in Russia." That's the root of the problem.

4. The SDI Pendulum: Before and After the Silence

There is another type of confrontation (be it positional, strategic, or tactical, call it what you will) — the well-known SDI program, or "star wars" as it used to be called.

When announcing the U.S. readiness to develop such a system, President Reagan was hoping, as it now emerges, to draw the USSR into another round of the ruinous arms race. It did not work. Just a short while later the White House, in the form of George Bush, announced the termination of work on SDI. THE NEW YORK TIMES eloquently summed up the very difficult negotiations at that time: "God does not play dice. He plays himself at chess. He strictly observes all the rules of the game and all the games inevitably end in a tie."

Nicely put. But is it true? The only question is: What does a "tie" mean here? The SDI pendulum only swung downward for a while. Soon a new term appeared — "Theater ABM" followed by the "GPALS" program (a system of global defense against so-called limited strikes). The aim here, which neither the U.S. military nor politicians try to hide, is that the new program is supposed to be a "Mini-SDI" because it preserves all the strategic concepts of what could be called the "Maxi" SDI.

The change of title did not change the essential nature and the ABM system will still cost $3 billion a year. THE NEW YORK TIMES again frankly states that the Alpha project (a chemical laser to destroy enemy missiles) is ready to be placed in orbit right now.

In short, to talk of a "tie" is simply a farce. After our recent scrapping of the Krasnoyarsk radar station, the Americans began talking even more loudly about revising the ABM treaty (or about clarifying certain provisions of it). Despite the legal casuistry there is clearly a blatant desire to "outflank a competitor" on this highly important question.

5. The Denouement

One conclusion emerges from all the above comments. Competition, even in its fiercest form, is normal. But it is normal only if we are talking about competition in a commercial market, not when it means using competition for the purpose of blackmail, sabotage, political pressure, or simple coercion. That is no way to build relations between countries. And that goes for relations with Russia too.

Yes, we were sick for a long time and we have not recovered completely yet. But even today Russia remains a great power with the highest intellectual potential and the ability to develop unique technologies — nuclear, space, and others — which are superior to those in the West. As before, Russia is maintaining its defense might at a perfectly adequate level. And that is why in relations with us it is inappropriate to shout, to try to impose your views, and even less to make ominous threats.

Iran's Support on Caspian Oil Deal Seen Ineffective

MM2405141995 Moscow IZVESTIYA in Russian 23 May 95 p i

[Report by Konstantin Eggert: "Tehran Supports Moscow on 'Caspian Inheritance'" — from the financial section]

[FBIS Translated Text] Official Moscow has received additional diplomatic support for its position on the development of the Caspian Shelf oil deposit.

The FINANCIAL TIMES reports that Iranian Deputy Foreign Minister 'Abbas Maleki has advocated that the 1921 and 1940 treaties between Moscow and Tehran — under which any development in the Caspian Basin requires the consent of all the states with access to it — remain in force. "We want to reach a compromise with all states, but no new legal regime has been adopted yet — the old one remains in force," Maleki told journalists in Almaty, where he was taking part in a conference on the problems of oil extraction in the Caspian Sea.

This means that Iran recognizes Russia's right to veto any agreement relating to oil extraction on the Caspian Shelf. This applies primarily to the international consortium including U.S. and British companies which was granted development rights by the Azerbaijani Government in 1994 to the part of the shelf which Baku considers its "own." The project is valued at more than $7 billion.

Russia's "Lukoil" company has 10 percent of the consortium. But its participation in the Azerbaijani "contract of the century" is prompting protests from the Foreign Ministry, which believes that this constitutes de facto recognition of Baku's right to dispose of part of the resources of the Caspian on its own. As is well known, following the collapse of the USSR, Smolensk Square has advocated that the 20-mile (32-kilometer) coastal zone be transferred to the jurisdiction of the Caspian states. The rest of the basin should, in the Foreign Ministry's opinion, become a kind of international zone where work would be conducted on the basis of a "condominium" of those interested.

Abbas Maleki's statements create a favorable diplomatic background for Russia but, in the opinion of a well-informed Ministry of Foreign Economic Relations expert, they are unlikely to have any far-reaching consequences. "The statement that the 1921 and 1940 treaties remain in force until new agreements are concluded cost Iran nothing," he believes. "Its position since the disappearance of the Soviet Union has always envisaged the internationalization of the Caspian and in this sense has always been close to the approach of the Russian Foreign Ministry." In 1992 the Iranians put forward the initiative of creating an organization of regional cooperation among Caspian states.

At the same time, in the fall of 1994 Iran did not turn down Azerbaijan's proposal to buy some of the international consortium shares held by Baku — which prompted an angry reaction from the United States. Ultimately, under pressure from Washington, the government of President Heydar Aliyev was forced to withdraw its proposal. "The statement by the Iranian deputy foreign minister will undoubtedly irritate the Baku leadership," a ranking Foreign Ministry spokesman believes.

But, in the opinion of the Ministry of Foreign Economic Relations expert, Moscow will not be able to block the Caspian deal even given a favorable attitude from Tehran. "We do not have enough leverage with Aliyev," our interlocutor noted. "Russia will have to battle to expand its participation in the consortium's affairs by seeking to get the oil pipeline from Azerbaijan built across its own territory."

There are several plans for shipping the oil extracted from the shelf. The economically ideal solution would be for an oil pipeline across Iran to the Persian Gulf. But this proposal is rejected by U.S. companies, which do not want to hand over to the Iranians control over the oil they have extracted. Other routes envisage laying pipelines across Armenia to Turkey, or across the Transcaucasian countries to the Georgian port of Poti for subsequent transportation by tanker through the Bosphorus and the Dardanelles. Moscow finds the "European Russia-Western Europe" route the most attractive. Moreover, Novorossiysk could compete with

Poti, but its port installations would require substantial modernization.

Panov on Readiness To Supply Reactors to DPRK

LD2505101295 Moscow ITAR-TASS in English 0938 GMT 25 May 95

[By Andrey Bychkov]

[FBIS Transcribed Text] JAKARTA May 25 (Itar-Tass) — Russia is ready, as before, to supply North Korea with its nuclear light-water reactors if the talks on the problem are deadlocked.

The main thing is to prevent aggravation of the situation on the Korean peninsula and "another round of the crisis", Russian Deputy Foreign Minister Aleksandr Panov said in an interview with Itar-Tass in Jakarta on Thursday.

He makes a tour of Asia-Pacific countries and arrived in Indonesia for working consultations with the leadership of the Indonesian Foreign Office.

"We are for the earliest solution of the problem on supplies of nuclear reactors to Pyongyang," he continued. "However, in our opinion, the nuclear issue is only part of a broader problem of settling the situation on the Korean peninsula."

The U.S.-North Korean talks on supplies of light-water reactors to North Korea are now in progress in the Malaysian capital Kuala Lumpur.

In compliance with an understanding reached between the United States and North Korea, they are to replace North Korean graphite reactors which can potentially produce weapons-grade plutonium.

Washington insists that Pyongyang should receive South Korean-made reactors, which is deadly opposed by Pyongyang. The North Korean leadership repeatedly displayed interest in purchasing Russian reactors.

Panov stressed that Russia suggested calling an international conference on settling the situation on the Korean peninsula. "Our proposal is still on the agenda, and, as recent contacts with the South Korean side in Seoul showed, South Korea highly appraises the Russian initiative."

To continue the dialogue between Moscow and Seoul, the diplomat said, speaker of the Russian parliament lower chamber Ivan Rybkin is to visit South Korea soon.

Foreign Ministry Criticizes Havel Message

MM2405154795 Moscow ROSSIYSKIYE VESTI in Russian 24 May 95 p 3

[Unattributed report under "At the Russian Ministry of Foreign Affairs" rubric: "This Is Russia's Internal Affair"]

[FBIS Translated Text] On 18 May this year a copy of the text of a personal message from President of the Czech Republic V. Havel to B.N. Yeltsin was sent to the Russian Ministry of Foreign Affairs. The message expresses deep regret over the fact that, in addition to veterans, servicemen of units which had fought in Chechnya took part in the parade on Red Square, and also contains a call for the Russian president to facilitate the immediate cessation of military operations in Chechnya.

The exchange of messages is the normal, established practice of communication between leaders of states, including Russia and the Czech Republic, on topical questions of bilateral and international relations. What is surprising, however, is the fact that, without waiting for an official reply from Moscow to the Czech president's message, certain Czech political circles and mass media outlets have launched around the imaginary violation of promises on the part of the Russian authorities a noisy propaganda campaign of a manifestly anti-Russian character. It is claimed, for example, that "everything" testifies that Russia does not wish to build relations with the Czech Republic on a democratic basis, and so on. Presumably this will be exploited by certain political circles in the Czech Republic in order to delay ratification of the interstate Russian-Czech treaty signed in August 1993 and ratified by the Russian Federation Federal Assembly as long ago as July 1994.

As for the situation in Chechnya: We value and listen to unbiased, good wishes from abroad, as is attested by the inclusion of OSCE [Organization for Security and Cooperation in Europe] missions in one form or another in the settlement of the Chechen conflict. Many peace initiatives testify to our good intentions, including V.S. Chernomyrdin's latest proposals on holding a roundtable on normalizing the situation in Chechnya involving all the interested sides, plus an OSCE mission. At the same time we affirm that the Chechen crisis is Russia's internal affair.

In conclusion, we wish to state that, according to the information of the Russian Ministries of Defense and Internal Affairs, servicemen of subunits which fought on Chechen territory did not take part in the parade to mark the 50th anniversary of Victory.

Envoy Seeks Lifting Ex-Yugoslavia Sanctions

LD2505080495 Moscow ITAR-TASS World Service in Russian 1452 GMT 24 May 95

[By ITAR-TASS correspondent Ivan Ivanov]

[FBIS Translated Text] Belgrade, 24 May — "The advancement of efforts aimed at a normalization of the situation in the Balkans and a way out of the crisis": This is how Aleksandr Zotov, the Russian Federation president's special representative, described the purpose of his arrival today in the Yugoslav capital for talks with Serbian President Slobodan Milosevic.

In an interview with an ITAR-TASS correspondent he noted that he does not have a mandate from the international "Contact Group" to hold these talks, but is acting as Russia's spokesman. "However, I hope that the results of my visit here, and the outcome of the talks on Thursday can be counted as part of the efforts being undertaken by the 'Contact Group' to settle the Yugoslav crisis," A. Zotov added.

The diplomat declined to give a straight answer to the question whether he intends to discuss with Milosevic the recent proposal of Robert Fraser, the American representative in the "Contact Group," that the sanctions on trade and economic cooperation would be removed from Yugoslavia for a "trial period" of 200 days in exchange for Belgrade's recognition of the territorial integrity of Bosnia-Herzegovina. At the same time A. Zotov expressed the opinion that this proposal "is part of the efforts being made by the international community to settle the crisis in just, mutually-acceptable, and balanced conditions." However, Belgrade's recognition of Bosnia-Herzegovina in itself, separate from the actions of the other participants in the crisis and of international mediators in a settlement of it, "cannot have any key significance."

At the same time A.Zotov stressed that Russia's position regarding the earliest lifting of the sanctions against the FRY, already three years old, remains unchanged: "We consider that there are no grounds for continuing to hold Yugoslavia to sanctions." He added that not all members of the "Contact Group," which includes, apart from Russia, representatives of the United States, Germany, Britain, and France, share this view. For example, according to the Russian diplomat, the American side has "a number of questions" in connection wih lifting sanctions against the FRY.

Cuban Foreign Minister Cited on Aims of Visit

LD2505082495 Moscow ITAR-TASS in English 0801 GMT 25 May 95

[By Vladimir Taranov and Dmitriy Znamenskiy]

[FBIS Transcribed Text] MOSCOW, May 25 (Itar-Tass) — Cuban Foreign Minister Roberto Robaina [Gonzalez] said at a news conference in Moscow on Wednesday that one of the main aims of his visit to Russia was to hold a sincere dialogue between the two sides. The Cuban minister noted that during his talks in Moscow "there was a full understanding between the two sides that it is necessary to make up for lost time and implement earlier reached agreements." "We are building relations of a new kind," said the Cuban minister, who had arrived in Russia in the framework of his first official visit to the CIS.

Touching upon Cuban-U.S. relations, the Cuban minister said that the U.S. seeks to impose its will not only on Cuba, but on other world countries, pursuing a policy of real dictate. In the opinion of the Cuban minister, a draft law suggested by Senator Jesse Helms, entitled "On democratic solidarity and Cuban freedom" is another one in a series of legislative acts issued by the U.S. authorities with the aim of "strangling the Cuban revolution." Robaina called on the world community to denounce such attempts, saying no similar acts can prevent his country from following the previous course.

Commenting on the economic crisis that Cuba is going through, the foreign minister said that energy shortages in Cuba cannot be coped with theoretically, and therefore, energy supplies to a number of industries were being curtailed. Asked by Itar-Tass about a possibility to resume the "frozen" project of the construction of the "Huragua" nuclear power station, the minister said that Cuba had decided to preserve everything left by the former Soviet Union. "We are not going to abandon this project, but a great deal of investments are needed to carry it through. Cuba is prepared to continue the construction launched by Russia in early 1980s, and some countries are prepared to cooperate as well," the Cuban minister said.

Trade, Cooperation With Cuba Seen Facing Difficulties

MK2505093095 Moscow SEGODNYA in Russian 25 May 95 p 4

[Report by Yevgeniy Spiridonov: "Russia Will Be Able To Get Cuba To Pay Its Debt Only in Investments. More Than 500 Joint Production Facilities Frozen on Island"]

[FBIS Translated Excerpt] [Passage omitted] More detailed information on the state of the Russia-Cuba trade and economic partnership was made available to your SEGODNYA correspondent by Sergey Bratchikov, general director of the "Interros" finance and industry group and a participant in a meeting at the Ministry for Cooperation With CIS Member States, who until recently headed the main department of trade and economic relations at the Ministry of Foreign Economic Relations. According to him, deliveries of Russian engineering products, which account for 70 or 80 percent, and often 100 percent (air transport), in the Cuban economy, have virtually stopped. Also put on hold has been cooperation with Cuba in the nickel industry, all of whose enterprises were either reconstructed or built with technical assistance of mainly Russian specialists. Russia has also quit the other sectors of the mining and processing industry. Cuba's oil workers have inherited technical documents — the result of 30 years of work by mainly Russian geologists, seismic surveyors, and drillers.

Beginning in 1991, however, Russia has not been giving any technical assistance to Cuba in completing work on more than 500 projects started during the period of Soviet-Cuban cooperation. Chances to make up for the lost momentum are rapidly diminishing. For example, some 10 British, French, Canadian, and Mexican firms are conducting intensive oil exploration while starting up the recovery of oil. Last year, Cuba produced 1.3 million tonnes of its own oil or 400,000 tonnes more than during the period of Soviet-Cuban fuel and energy partnership. One of the most promising Soviet-Cuban cooperation projects — the oil refinery at Cienfuegos — last year became property of a joint Cuban-Mexican enterprise.

At the same time, according to Cuban specialists' estimates, a changeover to Western technology would cost the republic twice as much as would continued cooperation with Russia.

The revival of trade and economic cooperation with the Republic of Cuba was supposed to be the job of the ROSCUBA association, which has been in existence for nearly one year now (under an intergovernmental agreement between the two countries.) So far only its structures for cooperation with Cuba in the field of energy, light industry, and the agro-industrial complex have been formed. As for investments in the Cuban economy provided for under terms of the intergovernmental agreement, they were supposed to be carried out, as ROSCUBA association president Lev Mogilevskiy said, via a joint Russian-Cuban bank. But one has not been created yet.

ROK Air Force Chief Sees MIG-29 Demonstration

MM2405151595 Moscow KRASNAYA ZVEZDA in Russian 24 May 95 p 1

[Report by Viktor Beltsov of Russian Air Force Press Center: "Koreans Take Close Look at Russian Fighters"]

[FBIS Translated Text] General Kim Hong-nae, ROK Air Force chief of staff, who is visiting Russia, visited the I.N. Kozhedub Aviation Technology Demonstration Center at Kubinka near Moscow.

The guest studied the latest in Russian aviation technology. After a ground demonstration Kubinka's aces performed demonstration flights on MiG-29 and Su-27 short- and long-range fighters.

Diplomatic Incidents Said To Sour German Ties

MM2505132995 Moscow IZVESTIYA in Russian 25 May 95 p 2

[Report by Gennadiy Charodeyev: "German Diplomat Arrested at Military Installation in Moscow Oblast"]

[FBIS Translated Text] Two diplomatic incidents that cannot under any circumstances be described as a misunderstanding have clouded Russian-German relations.

The Russian Federal Security Service [FSB] Public Relations Center has circulated an announcement that Ernst Kress, deputy head of the FRG Embassy's Translation Service in Moscow, has been arrested at a Moscow Oblast troop unit. The diplomat was unable to provide the patrol with an intelligible explanation for his presence at the secret installation. A spokesman for the FRG Embassy Press Department stressed during a conversation with your IZVESTIYA correspondent that there is no reason not to believe the translator. Kress was not spying but was giving a friend a ride home. On entering the military installation he presented his ID and was admitted.

Aleksandr Mikhaylov, chief of the FSB Public Relations Center, noted that an investigation is under way into the "foreign citizen's abuse of Russian hospitality."

"The conflict with the Western diplomat," the counterintelligence officer said, "ended fairly lightly for him. But we consider this a scandalous event. A foreign citizen in the Russian Federation should be aware of and unswervingly observe our country's procedures and laws."

At the same time IZVESTIYA has learned from diplomatic sources that the Russian authorities have — allegedly without explaining the serious reasons — rejected the FRG Embassy's nominee for new military attache, Colonel Bernd Breiber. In the opinion of Western diplomats in Moscow, the "Germans are offended," and many people think that this unfriendly act virtually "symbolizes the growing distrust between Russia and Germany."

A spokesman for the Russian Foreign Ministry's Information and Press Department confirmed that Col. Breiber had been refused entry to Moscow. But stressed at the same time that this was in retaliation for the German side's refusal to agree to the appointment of a new Russian defense attache, Major General Nikolay Shuleshko. Meanwhile people in Bonn are citing DER SPIEGEL, which claimed in April that the Russian general proposed by Moscow is suspected of intelligence activity. The competent Russian organs flatly deny the German journalists' story.

German Embassy spokesman Stefan Grabkher [surname as transliterated], whom we asked to comment, sees no "bad symbols" in the development of Russian-German interstate relations. On the contrary, the diplomat believes that our ties are today more stable than ever before.

UNHCR Probes Rights Violations in Chechnya

LD2405083895 Moscow ITAR-TASS in English 0803 GMT 24 May 95

[By Roman Zadunayskiy]

[FBIS Transcribed Text] MOSCOW May 24 (Itar-Tass) — The Military Procurator's Office of the Groznyy garrison has instituted 22 criminal proceedings in connection with the violation of human rights in Chechnya by servicemen of the federal troops, deployed in that republic. A total of more than 200 various criminal cases, not linked with the violation of human rights, are now being investigated by the Military Procurator's Office. These figures were divulged by Russian Military Procurator Valentin Panichev during a meeting with members of the mission of the U.N. High Commissioner for Human Rights here on Tuesday.

Panichev told the guests at their request about the observance of law and order by the troops, deployed in Chechnya. The country's chief military procurator noted that many signals about the violation of human rights in Chechnya by servicemen of the federal forces proved to be groundless. He also stressed that it was now very difficult to conduct investigations in Chechnya due to the hostilities and constant movement of troops. There were cases when investigation teams of the Military Procurator's Office travelled to the spot of this or that incident only to run up against Dudayev's men there.

The chief military procurator assured the members of the mission of the U.N. High Commissioner for Human Rights, which plans to go to Chechnya shortly, that the Military Procurator's Office was ready to investigate all information forwarded to it.

The meeting was attended by Special Representative of the U.N. High Commissioner for Human Rights Fausto Pocard and chief of a department at the U.N. Centre for Human Rights Helga Koai-Bidmond.

Political Issues

Yeltsin Interviewed on Political Issues

LD2405195295 Moscow Russian Public Television First Channel Network in Russian 1738 GMT 24 May 95

[Interview with Russian President Boris Yeltsin by correspondent Sergey Slipchenko in the Kremlin's Tayninskiy Garden on 24 May — recorded]

[FBIS Translated Text] [Slipchenko] This is the Kremlin's Tayninskiy Garden. This is where the country's president occasionally comes for a stroll. And this is where we decided to meet for our interview about problems which are being widely discussed in the newspapers and by the public at large, and about which there are many rumors and conjectures. There are some questions which only the president can answer. This is particularly true, because on the eve of the elections political life in the country is very tense.

Today Boris Nikolayevich found time to meet an observer of Television's first channel and to reply to a series of questions.

[Slipchenko, addressing Yeltsin, both seated at a table in garden] The media and the veterans have all praised the Victory celebrations, but there are people who say that a lot of money was spent on the Victory celebrations, and that the veterans' graves are not looked after as they should be, that better provision should have been made for them. What do you think of such opinions, and how do you think the country's veterans should fare in the future?

[Yeltsin] Well, in the first place, this was after all the 50th anniversary, not just a routine celebration, but a celebration of a half-century. Therefore, of course, I cannot agree with those who consider that we should not have celebrated this anniversary so copiously. Just look at the response it aroused even abroad: over 50 delegations came here for these celebrations. They appreciated the role played by Russia and the former Soviet Union in the results of the Great Patriotic War, and, what is most important, in the victory over fascism.

What other reasons do I have? Well, in general, the initiative came from the veterans. The work of the organizing committees was carried out constantly together with the veterans' movement. We took virtually full account of what the veterans wanted to see at these celebrations.

All right, let us look at the Victory parade in Red Square, held to honor the 50th anniversary [of the victory in World War II] and specifically of the veterans. I think there were few people among those present in Red Square — and the millions watching it on television — who did not feel a lump in their throat at that moment. They were mere boys in 1945, aged 20 or 25, or perhaps just a little bit over, and now some of them have difficulty walking; it took some courage to march there. Even Clinton told me this had brought tears to his eyes. Is this not...[pauses] Do we have to calculate how much money we have spent on these columns of veterans marching across Red Square 50 years after the war?

[Slipchenko] This cannot be measured in terms of money.

[Yeltsin] Absolutely not. Yes, it is true that not all veterans took part in the parade but only some of them — but then in 1945 it was also only part of them that marched. Not all of them marched, unfortunately this is technically impossible. Therefore, what has been done — on the contrary, the people, the veterans, those connected with the war in some way, those whose relatives were killed — they took this holiday very much to heart. People felt elated after the celebrations. So there can be no doubt about it. What does money matter? We have helped the veterans a lot financially.

We doubled the pensions of the old veterans and tripled the pensions of those who went through the Leningrad siege. This year we allocated 500 billion rubles in order to provide free cars for veterans; and other things. I mean, a lot was done for the veterans just before and during the anniversary. It is another matter to ensure that those who are involved in this do not lose their enthusiasm. Heads of administration were involved because the federal authorities were dealing with this in Moscow. The organizing committee was set up here and local organizing committees were set up everywhere, and they were actively involved. Money came from veterans themselves, inter alia. They are not paid much, nevertheless they sent their modest savings so that the festivities could go ahead.

Therefore, there should be no doubts. On the contrary, this anniversary gave such an impetus that the whole country as it were turned toward the veterans and gave them all a smile. And they received a smile in response from the veterans, a smile of joy, because they have not forgotten them.

[Slipchenko] You said that there was enthusiasm on the eve of the celebrations and there was enthusiasm after the celebrations. There was nostalgia on the eve of the celebrations, nostalgia for the social structure which we had when we won. And it would seem that people were in such an enthusiastic mood because they had returned to the past. Could this smile be connected...

[Yeltsin, interrupting] I do not agree with this, I categorically do not agree In my view that is quite simply primitive. You know, what structure existed when the people won under Aleksandr Nevskiy at Chudskoye Lake? What structure existed when Dmitriy Donskoy won? What structure existed when Napoleon was routed? Serfdom existed. Does this mean that serfdom was the decisive factor in the victory of the people and of our country? It is the same thing now. No, it is not the structure, it is the people, our people, their mood, their character, their patriotism, their love of the motherland, their selflessness and self-sacrificing nature, this was the decisive factor. The people were the decisive factor and this was the people's victory and the people's celebration.

[Slipchenko] Boris Nikolayevich, now for a question on a completely different topic, a topic concerning what is happening today. First, the presidential elections — not just the presidential elections, but the elections of the deputies, as well.

[Yeltsin] I am sorry but I would like to add something about the conclusions which we have drawn following the celebrations. The organizing committee on preparations for the celebrations, which operated at a federal level, a decision has been made to make it permanent. This means we will not need to remember again in a year that there are celebrations again and that we need to pay attention to veterans again; the committee will operate permanently and will look particularly into the financial position which, it cannot be said, is good for all of them. Of course. Many are suffering. That is one point.

Second, it has been decided to hold a Victory parade every year. A Victory parade will be held every year on 9 May.

[Slipchenko] At the moment, there is a persistent rumor that the election to the State Duma and the presidential election will not take place, that the situation in Russia is very complicated at present, and therefore there will be no elections, that presidential rule will be introduced. People keep talking about it in their kitchens and sometimes this subject is discussed in the press.

[Yeltsin] I categorically disagree with this because we are living in a law-governed state and we must respect our constitution. Periods between elections are stipulated by the constitution and we have to observe them. So, both the State Duma election and the 1996 presidential election will take place on time, there can be no doubt about this. The law on presidential elections has already been signed.

As for the law on elections to the State Duma, regrettably the two chambers of parliament are still arguing about it. They ought to come to some agreement, put their heads together and come to some agreement. Well, I used my right of veto yesterday. We have to search for a compromise and pass the law.

[Slipchenko] Two blocs have been set up — Chernomyrdin's bloc and Rybkin's bloc. Everyone is saying that no one knows where the money came from to set up and finance these blocs, or what the purpose of setting them up is. No one knows why there are two blocs and not three. What would you say about this?

[Yeltsin] Right, in the first place we would not get any strong electoral movements or blocs on the basis of parties — we have over 50 parties. It was necessary to unite several blocs, that is several parties, into one bloc, and several parties into another bloc. I am sure that there will not be just two blocs. There will be several blocs — perhaps three, four, perhaps five — but at least we will not have 50.

The three of us [Yeltsin, Chernomyrdin, and Rybkin] met to discuss these problems. It must also be stressed that this idea has been in the air for a long time. We all came to the decision that those who have the least number of disagreements should be united into a single powerful bloc and others should unite into another powerful bloc. Both of these courageous people agreed to head these electoral blocs.

Perhaps this is the start of the creation of a two-party system. Perhaps. I can only contemplate this because of course it is difficult to speak with assurance about it today.

[Slipchenko] There may be a three-party system.

[Yeltsin] There may be.

[Slipchenko] Whatever life decrees.

[Yeltsin] That is quite so.

[Slipchenko] So there is a natural selection. Some parties will disintegrate and fall apart. Some parties will unite. And this will occupy a lengthy period of time, won't it? And with this decision you have, as it were, shortened this period of time.

[Yeltsin] Quite right.

[Slipchenko] It is being said that both Rybkin and Chernomyrdin have personal instructions from you. People are saying that these are your personal blocs, that you organized them, you created them, and that they are working under you.

[Yeltsin] Not without my involvement, but in no way under my instructions.

[Slipchenko] They have no personal instructions from you?

[Yeltsin] No, they do not.

[Slipchenko] Boris Nikolayevich, this is another topic which is being much discussed in Russia, including in Moscow. Everyone knows the mayor of Moscow, Luzhkov. Since the Victory celebrations, speculation has again been appearing in the press that he should retire, that the issue has already been decided, that the edict is ready, although Luzhkov himself has said that he does not know where this information is coming from, and he feels very well and has good relations with you. Can you explain what is happening so that no more discussion of this kind appears in the press, and so that there are no more attacks either on Luzhkov or on the president, who is allegedly planning to sack Luzhkov.

[Yeltsin] Moscow is so lucky to have such a mayor, such a leader, an energetic leader. Look how Moscow has improved during his time. Look how many new buildings have appeared. Look how building has not been curtailed during the period of crisis — on the contrary, it has increased. This is all down to Luzhkov and his energy. I meet Luzhkov all the time, regularly. We discuss the problems. I of course help him, but he has a lot on his plate. I certainly do not know a better mayor in Russia.

[Slipchenko] Would he be able to do all this without being closely in touch with the Russian federal authorities?

[Yeltsin] Without our help he certainly would not be able to do all this. Certainly we are helping: I am helping and the Government is helping. Of course we are. As for any disagreements or arguments, these are simply rumors, or somebody is doing this specially. As in the past, under the KGB system when, if you want the media to whip up any subject you just spread a canard; such a canard has been launched and now correspondents are playing with it since, of course, it is interesting and attracts listeners and viewers. It is of interest to correspondents, too. In addition, there is an attempt to bring two people into conflict. An attempt to try to bring Luzhkov into conflict with the Government or the president — there is such an attempt. A certain group is behind this, it is not just an accident. These are not just babushkas' rumors.

[Slipchenko] Do I understand it is not your entourage which is spreading these rumors?

[Yeltsin] Of course not. Of course not. Everyone in the presidential service respects and supports Luzhkov.

[Slipchenko] I know that very soon you are going to Minsk. In this connection I would like to ask you: how are relations between Russia and the near abroad developing? What can we expect in the future; where do we have enemies or friends in the near abroad? After all, I am Ukrainian myself, my name is Slipchenko, I was born in Ukraine. When Leonid Kuchma was here, I asked him: Why can't I go to see the graves of my relatives? Life is such at present that we live in different countries now. And I am not alone. There are many people like me who were born in what used to be a single country and what are now foreign countries.

[Yeltsin] But there is another example — Belarus — where the Council of Heads of State will meet on 26 May. I will go there, of course. And after this, or maybe even on the same day, all customs controls between Russia and Belarus will be lifted. There will be no customs control.

[Slipchenko] And no border control?

[Yeltsin] No. I mean, you are welcome to travel back and forth without restrictions. We would like this integration to spread to other states as well. Kazakhstan has expressed a wish to have it this way, but it is more difficult to organize because the border we share is too long and there are some technical problems. Nevertheless, we will gradually move in this direction. It is more difficult with Ukraine, but we are trying to establish some contact, although until we have settled the issue of the Black Sea Fleet we will not be able to sign a treaty.

[Slipchenko] That is, these problems are a matter of principle?

[Yeltsin] Yes, nevertheless we are planning to set up a currency union and a customs union on 26 May, so some services are uniting and performing their functions together. This shows that a process of integration is already under way. In future this may become something like the European Community — that is, the member states will be fully independent, but at the same time they will put all their problems in one sack, as it were, and decide together what to do with them and how to sort them out.

[Slipchenko] But is this not a return to the past, when the Soviet Union existed?

[Yeltsin] No, because we do not have the CPSU — that force which ruled and directed our society.

[Slipchenko] Boris Nikolayevich, now here is a question which is of great concern to us television people, because yesterday the Federation Council approved a law which has been adopted by the Duma, about the special procedure for the privatization of state television and radio broadcasting. What is your view of that law?

[Yeltsin] In the first place I must say that Russia's Television in general over the past few months has improved its work, and now I, as president, have no particular complaints against it. Therefore, we considered that we should go along that path. The law has been put together in a rush, it has not been thought out. From a purely legal standpoint, it contradicts the law on the press. They forgot about that. Quite simply, it contradicts the whole essence of that law and the Constitution. Therefore, I am opposed to the special procedure law.

[Slipchenko] We will soon be going back to the studio; what can we say to the people who are waiting for an answer from us?

[Yeltsin] You can say that the president is opposed to it.

[Slipchenko] That is clear.

[Yeltsin] And he has levers which he can utilize.

[Slipchenko] Thank you very much. Thank you from the television group, from Russia's Television, and from me personally for this interview.

[Yeltsin] Thank you, Sergey,

[Slipchenko] I wish you all the best.

Yeltsin Receives Dagestan, Komi, Tuva Leaders

LD2505090895 Moscow INTERFAX in English
1948 GMT 24 May 95

[FBIS Transcribed Text] MOSCOW, May 24 (Interfax) — Russian President Boris Yeltsin received Magomed Magomedov, the Dagestani head of state and Chairman of the Dagestani State Council Magomed Magomedov today.

They discussed the social-economic development of Dagestan as well as the necessity for providing Dagestan necessary financial assistance in view of the serious situation in the North Caucasus and the natural disasters in the republic.

The situation in neighboring Chechnya was also discussed.

Boris Yeltsin received Yuriy Spiridonov, the leader of the Komi Republic and Sherig-Ool Oorzhak, the president of the Tuva Republic on the same day.

During the talks they discussed social-economic issues of the regions.

Yeltsin and Oorzhak also discussed the situation emerged after the law on elections to the State Duma was adopted. The Tuva president backed the Russian president's position on this issue, according to the Russian president's press service.

Cabinet Rejects Chubays' Economic Investment Program

LD2505114395 Moscow INTERFAX in English
0945 GMT 25 May 95

[FBIS Transcribed Text] MOSCOW, May 25 (Interfax) — Russia's government turned down on Thursday a comprehensive program for attracting domestic and foreign investment into the economy in 1995-1997.

Prime Minister Viktor Chernomyrdin, who chaired the cabinet session, castigated the cabinet ministers directly involved in drafting the paper, First Deputy Prime Minister Anatoliy Chubays, Economics Minister Yevgeniy Yasin, his assistant Vladimir Kossov, who outlined the program at the session, and the government administration chief Vladimir Babichev. The officials were taken to task for submitting a raw document.

In Chernomyrdin's opinion, the program is full of general statements, and its compilers "forgot about those who will implement the program."

The premier was also displeased by Kossov's failure to give clear-cut answers to a number of questions by cabinet members on what had caused a slump in investment in the economy.

According to Labor Minister Gennadiy Melikyan, even over the first four months of this year there were signs of a sharp fall in investment in Russia's economy. Investment in industry dropped by 35% against the same period last year. At the same time investment from all sources of financing shrunk by 26% from 1993, which saw a 12% drop in investment as compared with 1992.

Speakers noted that in 1992-1994, the effect from investment in Russia's economy "was half of what it was in Soviet times."

Chernomyrdin gave Chubays and the Economics Ministry leadership one month to cardinally rework the program and return it to the government for debate.

Gaydar on Shared Interests With 'Our Home'

MM2405151495 Moscow ROSSIYSKAYA GAZETA in Russian 24 May 95 First Edition pp 1-2

[Interview with Yegor Gaydar, leader of the "Russia's Democratic Choice" party, by Mikhail Gurevich; place and date not given: "Yegor Gaydar: We Don't Need Revolutions"]

[FBIS Translated Text] [Gurevich] Yegor Timurovich, you have already stated that the "Russia's Democratic Choice" party will not join a bloc with Viktor Chernomyrdin's "Russia Is Our Home" movement, but that cooperation during the election campaign is quite possible.

[Gaydar] Yes, we have raised for consideration by regional party organizations the possibility of cooperation with Chernomyrdin's movement at regional level. Russia is very diverse, and the bosses are not the same everywhere. There are regions where, I know, cooperation between "Democratic Choice" and the "bosses' party" is categorically ruled out. But there are regions where the administration pursues a reasonable policy that benefits the population and where that administration certainly can be supported and such cooperation will occur.

[Gurevich] Do you not think that the birth of the "Russia Is Our Home" movement in spring 1995 is very reminiscent of the birth of "Russia's Choice" in fall 1993? The same criticism from the outset, the same envy, the firmly affixed label of "party of power," the extremists' open malice. Even the place where the founding congress was held — "Russia's Choice" began in Cinema House, "Russia Is Our Home" in the Cinema Center.

[Gaydar] It's very amusing, but both similarities and vast differences can be seen in the two movements' founding congresses. Here is a similarity: Many people who went to "Russia's Choice" sincerely thought it was a congress of the party of power, and they joined the party of power, believing it would bring them to power. But if you remember the auditorium for "Russia's Choice," those were people who came out of the democratic movement, out of the great democratic wave of 1989-1991. "Russia's Choice" was formed as a democratic party close to power, a party with a specific ideology. The party that is being set up now has nothing in common with the "Moscow Tribune" [allusion unknown]. A vague ideology and elusive phraseology. I was at the founding congress of "Our Home." When people spoke from the platform about the need to continue the reforms, some people in the auditorium grumbled: "Why go on about that? Who needs these reforms?" It is another matter that people were sucked out of "Russia's Democratic Choice" as if by a vacuum cleaner, thinking they were joining the party of power.

[Gurevich] Recently you have stated more than once that you support the government on some questions but not on others.

[Gaydar] We have always advocated a policy of financial stabilization. The government is now pursuing that policy — albeit very belatedly — and we support it in that; the "Russia's Choice" faction voted for the budget. We have an interest in the success of the government's economic policy, since we are convinced that such a success will help democracy and the stabilization of the situation in Russia.

Of course, I don't like everything about the government's line, and some of the blunders seem to me to be obvious and distressing. In 1992 it was easier for me for one reason. I could present the budget and say: "Yes, it's tough. Tell me where I can take money from, and I'll do it." Now the financial policy is intelligent, but the burden is unevenly distributed. I find it hard to understand the flagrant administrative lavishness, the privileges for certain sectors and organizations. It seems to me that the principle of fair distribution has been violated. I do not agree with the government's policy on agriculture: A conservative policy, protecting the countryside from reforms, leads to agrarian crisis and theft. There are forces that have an interest in keeping the money circulating in the banks, not letting it go to the countryside. Meanwhile the crisis deepens, and naturally more money is needed. The government has extended the term of military service from 18 months to two years. I am absolutely convinced that that will not only work against society and education, but against the Army too. Why do they serve 10 months in France, and 12 months in Germany and Italy? But these differences do not conceal the fact that there are strategic interests that unite us with the "party of power."

[Gurevich] For me, at the moment, the choice is not between Gaydar and Shumeyko, not between Sobchak and one of the Fedorovs, but between the preservation of a stable, promising situation in the country and the possibility of the political Smerdyakovs [reference to loathsome character in Dostoyevskiy] coming to power, and no way can that be allowed. Preventing that catastrophe ought to be the main task of all worthy politicians in the country.

[Gaydar] If it is important to us to preserve stability for the sake of the development of Russian democracy and Russian capitalism, then we have common interests with the "party of power." There are many things about it that we don't like, but neither we nor the "bosses' party" need revolutions. The preservation of stability is a very important priority for us, but, for us, that stability does not mean keeping all today's bosses in power. We will not join in united ecstasy with the "Russia Is Our Home" movement, but we are allies in opposing the extremists.

[Gurevich] I will not extract vows from you and make you sign them in blood, but I would like to know: How is this collaboration possible, in purely technical terms?

[Gaydar] First, we are ready to cooperate in the elections in the majority districts. Second, in our country the presidential elections are held in two rounds, and depending on how they go, we do not rule out the possibility of maneuvering. That is, if, hypothetically speaking, Chernomyrdin and Zyuyganov were to reach the second round, I know who I would vote for and who I would call upon my party to vote for.

[Gurevich] Don't you think that with a view to preserving democracy, stability, the present financial policy, etc., in fact, so as not to permit experiments on the state's survivability, we should possibly declare a moratorium on elections for a certain time?

[Gaydar] I was and remain categorically opposed to the idea of postponing the elections. In fact, it's a delusion. That solution would certainly not lead to any kind of stabilization. The opposition would gain strong trump cards, fine slogans with which to stir up the situation in the country. And I would not overestimate the readiness of our power structures to protect the present authorities. I say that as someone who in my time — on 3 October 1993 — did a good deal to stop the power-hungry communists and fascists.

If you say: "You elected us, and things are all going so well with us that we'll stay put for a few more years" — people won't like it. They will see it as an insult, an offense to their dignity, deprivation of their rights.

[Gurevich] But if you are guided not by the Constitution but by some other, maybe higher, moral law, then surely you should not give the people, come what may, the right to play with their favorite democratic toy, when you know that these games could end in disaster for the state?

[Gaydar] True, the people could vote in a very dangerous way for themselves and their country. But it is an illusion to think that postponing the elections is the solution. Just as it was an illusion to suppose that Russian democracy would rise from the foam in the shape of a pure and lovely Aphrodite after 75 years of communist rule, so it is an illusion to believe that Russian authoritarianism will spring up in the form of an honest and noble soldier.

[Gurevich] A few months ago you said that Yeltsin is a hostage to dark forces in his own entourage. But it is possible also to be a hostage to "light" forces which are no less totalitarian in their stubbornness. You too, let us say, may share certain views, but you do not say so out loud. Although you understand that Russia is not quite the same as the applauding auditorium at Cinema House.

[Gaydar] Russia is diverse. And I do not share gloomy views. There were elections in Khakasia recently — and "Russia's Democratic Choice" won. The communists won far fewer seats. The mayor of Abakan is from "Russia's Democratic Choice." So Russia is diverse.

CPRF's Zyuganov Cited on 'Independent' Electoral Bloc

MM2505114395 Moscow PRAVDA ROSSII in Russian 25 May 95 p 1

[INTERFAX report: "Who Has Alliance With Whom"]

[FBIS Translated Text] The Communist Party of the Russian Federation [CPRF] intends to fight the upcoming 1995 parliamentary elections as an independent bloc, CPRF leader G. Zyuganov informed INTERFAX.

Answering a question on possible cooperation with V. Chernomyrdin's "Russia Is Our Home" electoral bloc, Zyuganov noted that "the CPRF is ready to conduct a dialogue with everybody who does not want war in the country and the destruction of the state." According to Zyuganov, the bloc will probably include the Agrarian Party of the Russian Federation, the Association of Commodity Producers, trade unions, and veterans' and women's sociopolitical organizations.

Constitutional Court Source on Status of Chechnya Request

LD2505102095 Moscow INTERFAX in English 0810 GMT 25 May 95

[FBIS Transcribed Text] MOSCOW, May 24 (Interfax) — Well informed sources in the Constitutional Court (CC) told Interfax that the request on constitutionality of the acts of the Russian president and government, in line with which hostilities were started in Chechnya, which was sent to the Court for the second time, again does not correspond to the rules under which it can be accepted for consideration.

According to the source, the text of the presidential decree has not been applied to the second request to the CC, namely the normative act whose constitutionality deputies of the upper chamber ask to verify.

The source said that the request might be not accepted for consideration in the CC on the basis of this fact.

Earlier the CC did not consider the document as it was a classified one and in line with the law the CC cannot consider secret documents. At the same time the presidential decree which is to be handed over to all judges for acquaintance was not sent to the Court for the first time either. While returning the request to the upper chamber to correct several drawbacks, the Court pointed to this formality, the Interfax interlocutor noted. However, having declassified the document the Federation Council has probably ignored this remark.

Media Issues

Yeltsin Edict on Press Service Published

MM2405135495 Moscow ROSSIYSKAYA GAZETA in Russian 24 May 95 First Edition p 4

[Russian Federation Presidential Edict No. 494 "On the Russian Federation President's Press Service" signed by Russian Federation President B. Yeltsin and dated the Kremlin, Moscow, 18 May 1995, followed by "Commentary" by Mikhail Gurevich; from the "Document" section]

[FBIS Translated Text] With a view to providing timely information via the mass media to the Russian Federation population regarding the activity of the Russian Federation president I decree:

1. The Russian Federation President's Press Service is to be formed within the Russian Federation Presidential Staff.

The staff of the Russian Federation President's Press Service is set at 17.

General leadership of the Russian Federation President's Press Service is to be entrusted to the Russian Federation president's press secretary.

2. The appended Statute on the Russian Federation President's Press Service (not published) is approved.

3. Paragraphs 1 and 2 of Point 5 and Point 10 of the Statute on the Russian Federation Presidential Staff Information Administration approved by Russian Federation presidential edict No. 65 of 24 January 1995 (SOBRANIYE ZAKONODATELSTVA ROSSIYSKOY FEDERATSII, 1995, No. 5, p 396) are deemed null and void.

4. The present edict enters into force the day it is signed.

[Signed] Russian Federation President B. Yeltsin

The Kremlin, Moscow, 18 May 1995 No. 494

Information Service for the Press

So the Russian Federation President's Press Service has regained its old functions. Certain particularly delighted observers have perceived even in this purely bureaucratic event a triumph of democracy and a black eye for the wily Security Service. We will leave to the conscience of these "experts" the products of their overheated imaginations. There is something else that is far more interesting.

According to the Statute on the Russian Federation President's Press Service, the main functions of the press service are, in particular: ensuring liaison between the Russian Federation president and the mass media; informing the mass media about the president's activities, legal acts issued by him, and his statements, speeches, meetings, and other appropriate events; and providing timely briefings to the president on the attitude of the mass media, press, television, and radio reactions to his speeches and decisions, and the state of public opinion.

The main tasks of the press service are defined as follows: organizing press conferences by the Russian Federation president, meetings with representatives of the mass media, interviews, and other appropriate events; ensuring appearances by the president in the press; issuing statements and press releases; holding briefings concerning the president's activities; and preparing press reviews, reports, and other analysis materials.

We do not feel very delighted that the presidential press service is going to prepare press reviews — that is, process our journalistic efforts in accordance with its own subjective views — heaven knows what the works that will end up on the head of state's desk will be like.

A very important point to us is that the press service should not only supply the president with the gist of our articles but also constantly provide the press with full information. You cannot live by press conferences alone. Suppose the president is signing a draft law on referendums — give us a detailed press release setting out the history of the issue: what the normative acts were like before, what the opinions were, what the president thinks about this. Otherwise what often happens is that the public has much less idea of the number one's viewpoint than it has of the views of his assistant for relations with the mass media, lovingly filmed by his friends in television. Many of our press relations officials appear on TV much more often than their bosses.

And after that those same journalist friends speak of the "closed nature of the authorities."

Or say somebody from TASS talks with a top official from the Presidential Staff, but later the official blandly declares that he never said anything of the sort. The upshot is that one the one hand, you seemingly have official information, and on the other, you don't.

Here is a recent illustration. The day before yesterday ITAR-TASS first reported that Boris Yeltsin "has today vetoed" the law on State Duma elections, then came a hasty correction saying that he "will today veto" it, and then, after an hour and a half, an expanded "version" appeared which indicated that "an informed source in the Kremlin" had disclosed that he "will today veto" the law and then spent five paragraphs on Sergey Filatov's interpretation of the president's thoughts.

Could we not learn the president's opinion straightaway? From his own press service, for instance. Senior staffers of the service used to say: "I don't know what the president is thinking, but I believe...."

Incidentally, the Government Information Administration is being set up in place of the eliminated government press service for the same purpose — to more fully provide journalists with suitable and good-quality information.

After all, surprising though it may seem, it is precisely official information that the presidential, government, and other press services have kept us short of.

So we expect detailed and meaningful information from the Russian President's Press Service. About practically everything.

The service exists for the press. And not vice versa.

NEZAVISIMAYA GAZETA'S Survival Chances 'Fifty-Fifty'

MM2405142695 Moscow IZVESTIYA in Russian 25 May 95 p 2

[Report by Anatoliy Stepovoy: "NEZAVIZIMAYA GAZETA: We Are Not Saying 'Goodbye'"]

[FBIS Translated Text] On 24 May NEZAVISIMAYA GAZETA published its last issue, the 88th of this year and the 1015th since the newspaper's inception, before taking an indefinite recess. In an editorial Vitaliy Tretyakov, NEZAVISIMAYA GAZETA's chief editor, told readers that the newspaper had been forced to suspend publication as of that day. Reasons were given. Regrettably they are mundane ones: no money, and a stack of debts.

In conversation with me, Tretyakov said that the journalists' collective had taken the news of the paper's suspension of publication calmly. Almost all of them still hope that the situation can be remedied.

The next two weeks, the NEZAVISIMAYA GAZETA chief editor believes, should show whether we will be able to collect the $1 million needed to resume publication of the eight-page newspaper.

"As for NEZAVISIMAYA GAZETA's chances of survival," V. Tretyakov said, "I am more optimistic today than yesterday and I rate the chances at fifty-fifty."

Poll Shows IZVESTIYA as Paper Most Read by Journalists

MM2505112295 Moscow IZVESTIYA in Russian 25 May 95 p 1

[Report by Konstantin Eggert: "Results of German Survey Good for IZVESTIYA"]

[FBIS Translated Text] The SINUS [expansion unknown] Social and Marketing Research Institute (Munich-Moscow), commissioned by the Friedrich Ebert Foundation (FRG), polled leading representatives of the Moscow and St. Petersburg mass media regarding the possibility of upheaval in Russia, the position of the mass media, the status of journalists, and their professional preferences. It emerged in particular that journalists most often read the work of their colleagues from IZVESTIYA (82 percent of respondents), KOMSOMOLSKAYA PRAVDA (45 percent), and MOSKOVSKIY KOMSOMOLETS (43 percent).

Some 148 editors and well-known mass media journalists of all political orientations took part in the poll, our correspondent Konstantin Eggert reports.

Print Run of Central Papers Down 90 Percent in 5 Years

MM2505113395 Moscow IZVESTIYA in Russian 25 May 95 p 1

[Unattributed report: "Central Publications' Print Runs Down by Factor of 10"]

[FBIS Translated Text] In the past five years the total circulation of central newspapers and journals has dropped from 220 million to 20.8 million copies. These figures were cited at a conference entitled "The Civilized Political Area: The Federal and Regional Authorities" in St. Petersburg's Mariinskiy Palace, IMA-PRESS reports.

Military, Nuclear & Space Issues

Defense Adviser Confirms Existence of 'Shkval' Antiship Missile

LD2405161295 Moscow ITAR-TASS in English 1450 GMT 24 May 95

[By Anatoliy Yurkin]

[FBIS Transcribed Text] MOSCOW, May 24 (Itar-Tass) — A Russian senior official confirmed on Wednesday that Russia has an underwater anti-ship missile code-named the Shkval which, however, can hardly be called "the latest achievement of engineering idea" since it has been in service in the Russian Navy for several years now.

Anton Surikov, an adviser with the Institute of Defence Research, told Itar-Tass that the fuss around the Shkval, or squall, which some sources claim is unmatched in the West and often referred to as Russia's "revenge" weapon and the Akula class submarine reflects the interests of the Western military industrial circles.

During the Cold War, the United States had more warships (especially aircraft carriers) than the Soviet Union, which enabled it to advance work on powerful ship-based missiles.

The Desert Storm operation in the Persian Gulf region proved the effectiveness of such weapons and the U.S. and other Western countries continue work on the missiles, Surikov said.

The Soviet, and then Russian, Navy developed its own weapons based on the Soviet concept of the potential enemy. The Shkval is one of its first results.

"The Shkval has no Western equivalent," Jane's Intelligence Review said in its May supplement.

"As there are no known countermeasures to such weapon, its deployment could have a significant effect on future maritime operations, both surface and subsurface, and could put Western naval forces at a considerable disadvantage," it said.

However, Surikov argues, this does not mean that the Western navies have no effective missiles, torpedoes or mines to destroy warships and submarines.

He believes the fuss around the Shkval was timed to coincide with the parliamentary hearings on the defence budgets and the funding of military programmes in Western countries.

As an example, Surikov cited the sharp increase in the funding of the U.S. theatre missile ABM [antiballistic missile] programmes or the British long-term programme to build new warships.

Soskovets Says Worst Crisis Over in Defense Industry

LD2405163695 Moscow INTERFAX in English 1249 GMT 24 May 95

[FBIS Transcribed Text] YOSHKAR-OLA, May 24 (Interfax) — The Russian government will continue supporting facilities in the military-industrial complex. This was declared Wednesday by Deputy Prime Minister Oleg Soskovets in Yoshkar-Ola, Mari El, at a meeting with the heads of several major defense plants.

According to Soskovets, the worst crisis is over, plants are getting back to their feet and taking their goods to the world market. As a priority for the defense industry he named the formation of big concerns involving commercial banks and other financial bodies.

Soskovets also announced that Ukraine owes the Gazprom corporation $1.5 billion for gas deliveries of the past 13 months. Talks on the payment of the debts continue. "This is a very difficult problem, and we are now trying to restore order in the sphere of international settlements," the official said.

Most Reports on Nuclear Trafficking 'Unfounded'

LD2405115695 Moscow Russian Television Network in Russian 1000 GMT 24 May 95

[From the "Vesti" newscast]

[FBIS Translated Text] The counterintelligence services announced today that 90 percent of reports published in the Russian press on instances of nuclear trafficking are unfounded.

For example there was a report in KOMSOMOLSKAYA PRAVDA about 70 kilos of enriched uranium stolen in Kaliningrad. An investigation showed that it was a geological instrument.

[Begin A. Pushkarenko recording, identified by caption as deputy head of the directorate of the Russian Federal Security Service] There are no stable groups in Russia involved exclusively in this type of criminal activity. [end recording]

[Correspondent] There are indeed some thefts of radioactive substances, and some two dozen people have been convicted in Russia. But listen to this:

[Begin Pushkarenko recording] The average person is beginning to think that there is an illegal market for these substances in the West. Also, the Western press states prices in the region of $60 per kilo for these substances. You can legally buy a catalogue at the Ministry of Atomic Energy, and the price is in the range of $20 to $30-40 dollars. [end recording]

[Correspondent] Usually the trade is in depleted 238-isotope uranium or in the enriched 235-isotope uranium. The counterintelligence services say that international cooperation in the prevention of nuclear trafficking is becoming very specific.

Security Official on Reports on Nuclear Smuggling

LD2505102895 Moscow INTERFAX in English 0810 GMT 25 May 95

[FBIS Transcribed Text] MOSCOW, May 24 (Interfax) — Russian military nuclear facilities are under reliable protection. There has not been a single theft of radioactive materials that can be used in the production of nuclear arms, deputy head of the Russian Security Service's Department for Safety of Strategic Facilities Aleksey Pushkarenko told a news conference in Moscow today.

According to the service's information, security bodies have revealed 24 thefts and cases of illegal turnover of nuclear materials since the second half of 1991. All of the stolen materials were energy components, most of them natural uranium and uranium dioxide with a 2-4% enrichment. A total of 19 Russian citizens linked to the crimes have been sentenced, and investigation into 16 cases is under way.

In the words of Pushkarenko, Russian security bodies do not have information on the Russian availability of stable criminal groups specializing in the theft and sale of nuclear materials. Not a single client who ordered nuclear materials has been revealed. All persons whose names became known to the law enforcement bodies are mediators who have no direct links with the military nuclear facilities.

The service staffer believes that the "recent campaign of Western mass media claiming alleged illegal exports of nuclear materials from Russia aims to convince the international public of Russian inability to ensure efficient nuclear control. This will finally call into question the Russian observation of the Nuclear Nonproliferation Treaty."

In the opinion of service experts, a reason for involvement of criminals in this very illegal activity is the existence of media claims that the West has a so-called black market of radioactive materials and it is very profitable to sell them.

Russia Launches Kosmos-Series Military Satellite

LD2505062595 Moscow ITAR-TASS English 0538 GMT 25 May 95

[By Viktor Gritsenko]

[FBIS Transcribed Text] Moscow, May 25 — The Russian Military Space Forces launched a Molniya-M booster rocket from the Plesetsk cosmodrome on Thursday at 0010, Moscow time [2010 GMT on 24 May], which will put into orbit another military satellite of the Kosmos series.

The Kosmos satellite was the 15th spacecraft launched by Russia this year and the eighth fired off from Plesetsk. It was also the 2,986th spacecraft lifted off by Russia (Soviet Union) since 1957.

If the present rates of launching persists, Russia will blast off the 3,000th satellite next October.

Federal Assembly

Yeltsin Urges Assembly To Agree on Election Law

LD2405180895 Moscow ITAR-TASS World Service in Russian 1701 GMT 24 May 95

[FBIS Translated Text] Moscow, 24 May (ITAR-TASS) — The elections to the State Duma and the presidential elections will be held at the time envisaged by the Russian Constitution, Russia's President Boris Yeltsin confirmed today in an interview to Russian Public Television.

Boris Yeltsin recalled that he had already signed the law on presidential elections and in connection with the law on elections of State Duma deputies, he said that "most unfortunately, there are arguments going on between the two chambers." Here Yeltsin expressed a wish to the two chambers of the Federal Assembly "that they should come to an agreement and seek compromises" for the adoption of the law on State Duma elections after the veto imposed on it by the head of state.

Trying to substantiate the idea of the creation of two electoral movements headed by Viktor Chernomyrdin and Ivan Rybkin, Russia's president noted that the participation in the elections of more than 50 parties is unrealistic, and that is why the initiative was taken to create "strong electoral movements, of which there could be three to five, but at least not 50." Yeltsin said that the movements under the aegis of the prime minister and the State Duma chairman had been set up with a view to uniting those political forces "that have the fewest differences." "Perhaps this is the start of the creation of a two- party system," the president noted.

Yeltsin admitted: Both electoral movements had been set up "not without my involvement but under no circumstances on my instructions."

Yeltsin Names Conciliatory Commission Members

LD2505092495 Moscow ITAR-TASS in English 0902 GMT 25 May 95

[FBIS Transcribed Text] Moscow, May 25 (ITAR-TASS) — President Boris Yeltsin sent on Thursday a letter to speaker of the State Duma (Russian parliament lower chamber) Ivan Rybkin, expressing confidence that the work of a conciliatory commission over the bill on elections of State Duma deputies "will help to improve its quality, to agree various interests and to save us from victors and underdogs in political battles", the Russian president's press service told ITAR-TASS here today.

Yeltsin suggested that the following representatives should be included in the conciliatory commission:

Larisa Igorevna Brycheva, deputy head of the State Legal Administration of the Russian president and section head for ensuring cooperation between chambers of the Russian parliament, Georgiy Aleksandrovich Satarov, the Russian president's assistant, and Aleksandr Maksimovich Yakovlev, the Russian president's plenipotentiary representative at the Russian parliament.

Last Wednesday, State Duma members formed the Duma part of the conciliatory commission which will work on the bill vetoed by Yeltsin. The commission includes Gennadiy Kulik from the Agrarian Party parliamentary faction.

Anatoliy Lukyanov will represent communists, Konstantin Zatulin — the Democratic Party faction, Sergey Zenkin — the PRES faction, Viktor Sheynis — Yabloko faction, Viktor Zelenkin — the Russia's Choice faction, Vladimir Zhirinovskiy — the LDPR [Liberal Democratic Party of Russia] faction and Lyudmila Zavadskaya will represent the Russia's Women faction.

Apart from the above-mentioned, the commission will include Vladimir Bessarabov from the New Regional Policy group (Eds: groups represent smaller numbers of lawmakers at the Russian parliament). Bembya Khulkhachiyev will represent the Stability group, and Igor Shichanin — the Russia group.

Chairman of the Duma Committee on Legislation Vladimir Isakov also became member of the commission. Representatives from the Federation Council (Russian parliament upper house) will also work on the commission.

Shumeyko Approves Veto of Electoral Law

LD2405154595 Moscow INTERFAX in English 2030 GMT 23 May 95

[FBIS Transcribed Text] Moscow, May 23 (INTERFAX) — Federation Council Chairman Vladimir Shumeyko has approved the presidential veto on the law "On the Elections of Deputies of the State Duma." "I have been seeking this veto," he told journalists in Moscow Tuesday.

Shumeyko emphasized that the State Duma's persistence on electing one half of the deputies by single-mandate constituencies and the other half by party tickets was caused by "insubstantial party interests rather than those of Russia as a whole."

Arguing with those saying that in the case of electing 300 deputies by single-mandate constituencies "most of the house will lobby the interests of Russia's regions," Shumeyko asked: "What other kind of interests exist than those of people living in Russia's regions?" In his opinion, "it is the majority system that enables the people to express their opinions at the elections as fully as possible."

Shumeyko also supported the presidential proposal to exclude the compulsory relieving of parliamentary candidates of their duties in state or municipal bodies or in the media. "Let their electors exercise control over the activities of such deputies," he added.

Federation Council Approves State Defense Decree

LD2405162495 Moscow INTERFAX in English 1422 GMT 24 May 95

[FBIS Transcribed Text] Moscow, May 24 (INTERFAX) — On Wednesday, despite the government's objections, the Federation Council (Russian parliament's lower house) approved the federal decree "On the State Defense Order."

As many as 95 deputies of parliament's upper chamber voted for this decree adopted by the State Duma (lower chamber) on April 21 (under the needed quorum 90 votes) and 22 - against. The decree was forwarded to President Yeltsin for signing.

The decree regulates the basic mutual relations between the state and its bodies and enterprises, offices, and organizations which create and supply arms and military equipment.

Addressing the chamber's sitting and expressing the government's official position Russia's First Deputy Defense Minister Andrey Kokoshin pointed out that the decree is "immature" and it "should be brought in line with the Constitution and the acting legislation," in particular, "to more precisely determine the president's, government's and Defense Ministry's prerogatives" on issues related to the state defense order.

Kokoshin also underlined that "financing of the defense order is on an unacceptably low level." "It is necessary to increase expenditures, otherwise we shall lose both defense enterprises and the army," he declared.

Deputy Chairman of the State Defense Industry Committee (Goskomoboronprom) Yuriy Starodub, who favors adopting this decree as soon as possible, underlined that this decree "helps to receive definite benefits which could compensate losses of defense enterprises caused by under-financing."

Responding to Interfax after the vote, Kokoshin noted that "Goskomoboronprom's position which persists in immediate adoption of this decree contradicts the government's official position."

Defense Law Passed Over Ministry Objections

MK2505080095 Moscow SEGODNYA in Russian 25 May 95 p 2

[Report by Yelena Tregubova under the "Senate" rubric: "Defense Order Law Sparks Serious Objections But Is Passed Unexpectedly"]

[FBIS Translated Text] Following stormy debate, the Federation Council passed a law "On State Defense Orders" yesterday over the objections of many deputies, and the negative resolutions of the government, the Defense Ministry, and the General Staff. Andrey Kokoshin, who spoke on the Defense Ministry's behalf, was categorically against passing the law in its present form. He is convinced that the document "does not define in sufficiently clear terms the prerogatives of the president and the Defense Ministry and contravenes the Constitution and the law on defense." The State Committee on the Defense Industry [Goskomoboronprom], on the contrary, insisted that the law be passed "in any shape" because, with its help, "it would be possible, through courts, to make the government fund defense orders."

Andrey Kokoshin retorted by saying that the proposed law is "so vague that no court will be able to use it." The deputy minister asked the senators "to bring the law into line with the Constitution with participation of jurists" within three days and only then pass it, but most of the senators still voted for an immediate passage of the law.

Many informed sources in the Defense Ministry think the law was passed thanks to pressure from the senator from Krasnoyarsk, Petr Romanov, known for his longstanding connections in the Goskomoboronprom leadership. In a heated debate, Mr. Romanov let the cat out of the bag, saying that he hopes for the distribution, under this law, of a considerable part of the defense order money via Goskomoboronprom.

Government experts believe that inasmuch as this law contravenes the Constitution and many laws now in effect, it will most probably be sent back by the president for fine-tuning.

Panskov Claims IMF 'Ruined' Budget Plan

MK2505094095 Moscow SEGODNYA in Russian 25 May 95 p 2

[Report by Natalya Olenich: "The Finance Minister Is Nearly Happy With Budget Implementation. The IMF's Belated Credit Prevented the Full Financing of Expenditures"]

[FBIS Translated Text] Although the agenda of yesterday's Duma session said "briefing by Prime Minister Viktor Chernomyrdin on the implementation of the federal law on the 1995 federal budget and the socioeconomic situation in the country," the deputies had to make do with Finance Minister Vladimir Panskov, and with only the first part of the announced presentation. Viktor Stepanovich, Panskov explained, was apparently "busy." The Communists, who moved to take the item off the agenda, got only 66 votes. The finance minister promised to say something about the budget execution in the first quarter of this year which was not included into the government report on this subject, which was circulated among the deputies, but in effect he voiced only the report.

According to Vladimir Panskov, everything is all right with revenues: 3 percent more was raised than was planned. Tax collection also improved, and its share in GDP amounted to 275 trillion rubles, which is 4 percent higher that projected. True, some "serious lags" occurred over privatization revenues but the adopted measures, in particular, the presidential edict On Measures To Ensure the Guaranteed Payment Into the Federal Budget of Revenues From Privatization, signed in early May, will, in Panskov's opinion, help reverse the negative trends. Only 67 percent of revenues from foreign economic activity have been raised, which resulted from postponing the abolition of exemptions until 15 May, whereas originally it was planned to cancel them as of 1 January, as provided for in the budget. However, the generally positive trends of the first quarter, which strengthened in April, make the minister optimistic that the 1995 budget revenue plan will be executed. The situation is worse with expenditures, which were implemented 81.76 percent. All the "protected" articles, the finance minister assured, are guaranteed 100 percent. In the second quarter the situation should improve: Expenditures will be financed 86 percent. True, the expenditure targets envisioned in the federal budget for the whole year will not be met after all.

In spite of his fairly upbeat presentation to the deputies, in a conversation with journalists Vladimir Panskov stated that he is not satisfied with budget implementation, "although it is proceeding better than last year, not only on revenues but also on expenditures." The reason for the minister's dissatisfaction is clear: "In raising 100 percent of revenues, which points to the feasibility of the budget," the government "has ruined the sources of covering the budget deficit." Nonetheless, the finance minister believes that this is not related to the cabinet's omissions but to "the untimely provision of the standby credit." Owing to this, the budget was underassessed by 6 trillion rubles in the first quarter. For the same reason, foreign debts were not restructured and interest rates higher than envisioned in the budget had to be paid on them, hence the fact that expenditures were financed only 82 percent. Therefore, had the IMF not marked time over the loan, the budget expenditures plan would probably be in just as good a shape as revenues.

The deputies, however, judging by their questions to the finance minister, were not infected with his optimism. Even so, the debate on his report, in particular the presentation by the chairman of the Duma Committee on the Budget, Taxes, Banks, and Finances, which was originally announced, did not take place.

Duma Sees No Basis for Economic Stability

LD2505103795 Moscow INTERFAX in English 0810 GMT 25 May 95

[FBIS Transcribed Text] Moscow, May 24 (INTERFAX) — The current Russian situation does not give grounds to speak of "economic stability," says an analytical report of the Duma Committee for Economic Policy circulated in the Duma today. The Committee is chaired by Sergey Glazyev, a member of the Democratic Party faction.

The report was prepared for the Duma discussion of May 24 on fulfillment of the law "On the 1995 Federal Budget" and the Russian social and economic situation.

The Committee experts called attention to the fact that the production recession in processing industries exceeded general production recession twofold in the first quarter of 1995. The recession was the largest in production of consumer goods (15%) and durable goods (up to 56%).

In the opinion of the Committee, the government has failed to reduce inflation to the planned limit. The inflation of January-March amounted to a monthly 13%, while the budget planned it at 5%, and the inflation of April reached 8.5% despite the "tough credit-monetary policy."

According to the report, the real budget spending of 1995 will be 18-20% lower than was planned, and the rise in the level of unemployment will near five million instead of the planned two.

The Committee thinks that the reasons for these negative phenomena is the further "erroneous economic policy of the Russian government which is implementing a program of crisis deepening and has slim hopes for production increase in 1997 after the production has been halved."

Pokhmelkin Proposes Taxpayers' Protection Law

MK2505085095 Moscow SEGODNYA in Russian 25 May 95 p 2

[Report by Gleb Cherkasov under the "Lawmaking" rubric: "Deputy Pokhmelkin Urges Protection for Russian Taxpayers' Rights"]

[FBIS Translated Text] Deputy Viktor Pokhmelkin ("Russia's Choice") has put before the State Duma a draft law "On the Protection of Taxpayers' Rights in the Russian Federation." Mr. Pokhmelkin believes the heaviness of the tax burden in Russia consists not only in the number of taxes, but also in a lack of rights for those who pay them.

In Mr. Pokhmelkin's words, the law proposes to extend to taxpayers "the presumption of innocence and conscientiousness" and protect them from the arbitrariness of state organs. In accordance with the draft law, financial sanctions can only be applied against tax evaders on court order. Viktor Pokhmelkin stressed that tax breaks extended to some categories of enterprises at the expense of the others are inadmissible, and that the law makes all taxpayers equal.

Under Mr. Pokhmelkin's draft, the tax inspectorate's duty will be to inform taxpayers of all changes in fiscal legislation. The draft law prohibits tax audits based on anonymous reports.

Viktor Pokhmelkin thinks his draft law will meet with "vehement opposition" from all state organs having to do with the collection of taxes. In the deputy's view, should both Federal Assembly chambers and the president react positively, the law "On the Protection of Taxpayers' Rights" will become, until the passage of the Tax Code, the fundamental legal act, and "the entire tax policy of the state should be harmonized with it."

Federation Council Rejects Radioactive Waste Law

LD2505101395 Moscow ITAR-TASS in English 0922 GMT 25 May 95

[By Lyudmila Yermakova]

[FBIS Transcribed Text] Moscow, May 25 (ITAR-TASS) — The Russian Federation council has turned down the law "On state politics in handling radioactive waste" adopted by the State Duma. Although the lawmakers of the upper house of the Russian parliament admitted that the law is necessary, they suggested a number of essential amendments to the law.

The Federation council declared that the law "had not been elaborated conceptually, that it should be economically and financially motivated, outlining possible consequences should the law be enacted." For instance, one of the articles of the draft law envisages the establishment of a special organization in charge of handling radioactive waste without indicating expenditures on its establishment. The federation council also criticised an article of the draft law outlining possibilities for the use of particular technologies since such questions are within the competence of organisations exercising surveillance, licensing and examination. The main conclusion made by members of the Federation council is that the draft law should be amended in part concerning technological policies in handling radioactive waste.

Duma Passes Law on Civil Service

MK2505073095 Moscow SEGODNYA in Russian 25 May 95 p 2

[Report by Gleb Cherkasov under the "Regulation" rubric: "Duma Passes Law on Civil Service"]

[FBIS Translated Text] Having taken into account remarks made by a conciliation commission, the State Duma passed yesterday a law "On the Bases of Civil Service of the Russian Federation" that was earlier turned down by the Federation Council. Vladimir Yuzhakov, conciliation commission cochairman who presented the document to his colleagues, stated that the need for the speedy passage of the law was occasioned by the fact that similar legislative acts are being already passed by republics making up the Russian Federation. Notably, they are not always in line with federal legislation and the Russian Federation Constitution.

The law, which lays down the legal foundations of civil service of the Russian Federation, divides public offices into three categories. Category "A" groups offices established by the Russian Federation Constitution; category "B" comprises offices instituted for "directly ensuring the performance of the powers of persons temporarily holding category "A" positions; and, finally, Category "C" includes "positions instituted by state organs for ensuring the performance of their powers." The list of public positions of all three categories is given in a corresponding register.

Duma Adopts Decree on Securities Market

LD2505103595 Moscow INTERFAX in English 0940 GMT 25 May 95

[FBIS Transcribed Text] Moscow, May 24 (INTERFAX) — At its Wednesday [24 May] sitting Russia's State Duma adopted in principle the decree "On the Securities Market" submitted by several deputies of the chamber and by its budget committee. As many as 290 deputies (the necessary quorum being 226 votes) voted for this decree, 4 voted against and 3 abstained.

For the first time this document legally determines forms of professional activity on the securities market, regulates professional authorities of brokers, dealers, issuers, and other participants of the securities market, and stipulates the essence of the depository activity.

The decree also provides for creation of a special federal commission on securities market and determines its functions. The document regulates relations appearing under emission, non-circulation of securities irrespective of the type of issuers. Until now only governmental resolutions have regulated relations on the securities market.

The decree will be forwarded to the Federation Council for consideration.

Federation Council Approves Export Regulations Law

LD2405194695 Moscow INTERFAX in English 1734 GMT 24 May 95

[FBIS Transcribed Text] Moscow, May 24 (INTERFAX) — The Federation Council (the upper house of the Russian parliament) on Wednesday approved a new law on export regulations adopted by the lower house on May 12.

The new law says Russia's foreign trade policy will be implemented by dint of customs, tariff and non-tariff regulations (including quotas and licensing). Export and import restrictions can be set to protect Russian security interests and the country's internal market.

For the first time, it delineates authority over foreign trade between Moscow and the regions, which are now entitled to provide guarantees and benefits to local export producers and conclude agreements with foreign investors. Moscow, meanwhile, is vested with powers to suspend or ban such activities if these are found to be out of line with the center's foreign trade policy.

The new law approved by 103 votes for, 13 against and two abstentions has now been sent for presidential endorsement.

Former Cosmonaut Titov Confirmed as Duma Deputy

LD2405171195 Moscow ITAR-TASS World Service in Russian 0750 GMT 24 May 95

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[FBIS Translated Text] Moscow, 24 May (ITAR-TASS) — The State Duma has confirmed the authority of German Titov, who was recently elected deputy of the lower chamber of parliament from the Kolomenskiy constituency number 107 of the Moscow region. This was done on the basis of a representation from the State Duma mandate commission after it had examined the documents of the area election commission.

Ivan Rybkin, chairman of the chamber, congratulated the famous cosmonaut warmly with his election to the high state post and wished him success in law developing.

Regional Affairs

OSCE Brokers Peace Talks in Groznyy

Dudayev's Delegation Arrives

LD2505073595 Moscow ITAR-TASS in English 0644 GMT 25 May 95

[By Sharip Asuyev]

[FBIS Transcribed Text] GROZNYY, May 25 (Itar-Tass) — Twenty minutes before the talks, planned to begin in Groznyy today at 10.00 [0600 GMT], Usman Imayev, who is leading a delegation of Dudayev's supporters, arrived at the premises of the OSCE [Organization for Security and Cooperation in Europe] mission in the Chechen capital. Four more members of the delegation came together with him. Imaev is vested with powers to hold talks for the purpose of "stopping the war by means of a political settlement."

He told journalists in a short interview that he expected much from the talks, but their success "will depend on the willingness of the two sides to meet each other halfway."

Nikolay Semenov, head of the territorial branch of the federal executive authorities in Chechnya, and Lecha Magomadov, deputy head of the Committee for National Accord, also arrived at the premises of the OSCE mission in Groznyy. Lecha Magomadov told journalists he hoped the talks would be a success.

Talks Break Down; Russians Leave OSCE Building

LD2505103095 Moscow ITAR-TASS World Service in Russian 1009 GMT 25 May 95

[By ITAR-TASS correspondent Sharip Asuyev]

[FBIS Translated Text] Groznyy, 25 May — The talks under the aegis of the OSCE on a peaceful settlement of the Chechen conflict have broken down. The representatives of the federal authorities — head of the territorial administration Nikolay Semenov and his deputy Vladimir Zorin — have just left the OSCE mission building. They refused to give journalists any comment on the progress of the meeting or on their departure from the talks.

Opposition: Russians 'Not Prepared' for Talks

LD2505112395 Moscow ITAR-TASS World Service in Russian 1056 GMT 25 May 95

[By ITAR-TASS correspondent Sharip Asuyev]

[FBIS Translated Text] Groznyy, 25 May — The talks under the aegis of the OSCE [Organization for Security and Cooperation in Europe] on a peaceful settlement of the Chechen conflict, which lasted for around three hours in Groznyy today, have broken down for an indefinite period. Before leaving town, Usman Imayev, the representative of Dudayev's supporters, told journalists that "Russia was not prepared for the talks." Employees from the mission of the Organization for Security and Cooperation in Europe, who were mediating at the meeting, as well as the heads of the territorial administration of the federal bodies of executive power in Chechnya, have so far refused to make any comment.

This afternoon, an unsanctioned rally protesting the continuing combat action in Chechnya gathered outside the OSCE mission building in Groznyy, where the talks were taking place. Several hundred people, mainly women, demanded "an immediate stop to the injustice inflicted on the Chechen people." Those taking part in the rally cited specific incidents where civilians had died or had been wounded during the continuing military action. Eyewitnesses testify that 13 inhabitants of the small settlement of (Khaldy) in the mountainous zone in the south of the republic, 10 km from the front line, died as a result of an air strike on 24 May. The rally participants maintain that that there has been an increase in the number of victims and the destruction in settlements in the foothills, which have been subjected to intensified shelling during the Russian troops' offensive that began on 24 May.

UN Delegation Meets With Russian-Backed Chechnya Officials

LD2505091195 Moscow INTERFAX in English 1948 GMT 24 May 95

[FBIS Transcribed Text] GROZNYY, May 24 (Interfax) — A delegation of the U.N. high commissioner on human rights met with Director of the Federal Executive Power Territorial Department in Chechnya Nikolay Semenov and Chairman of the National Accord Committee Umar Avturkhanov in Groznyy today.

The U.N. delegation includes the high commissioner's envoy, Professor Fausto Pocar and Director of the U.N. Human Rights Center Helga Klein.

The meeting also involved Chechen Military Commander, Lieutenant-General Nagornov and Deputy Commander of the Russian Interior Ministry Troops, Major General Kuzin.

Semenov said he considered the arrival of the envoy of the UN high commissioner on human rights in Chechnya as "without doubt a positive factor." He also informed the meeting on progress with restoring the Chechen economy and social sphere and analyzed the public-political situation in Chechnya. Semenov said the situation in the North Caucasian republic was returning to normal step by step. He said the authority of the representative and executive powers was growing.

Avturkhanov agreed that the visit of the U.N. high commissioner's mission to Chechnya was a positive factor. At the same time, he said he regretted that the U.N., "this highly-respected international organization," had failed to display such an initiative earlier, given that the Dudayev regime had began violating human rights, destroying the economy and depriving people of wages, pensions and benefits since 1991. Avturkhanov said that then the commission on human rights had not paid attention to these facts.

Avturkhanov said the Chechen crisis had emerged much earlier than when Russian troops were brought into the area. He said the Chechen crisis erupted as a result of the disastrous situation the Dudayev regime caused in Chechnya.

Update on Battlefield Situation in Chechnya

Lobov Denies Plan To Storm Dudayev Positions

LD2405124695 Moscow Radiostantsiya Ekho Moskvy in Russian 1200 GMT 24 May 95

[FBIS Translated Text] The federal forces started a large-scale offensive against Chechen fighters' positions along the entire line of confrontation today. General Mikhail Yegorov, commander of the unified group of forces, said that all means available will be used to achieve the objectives.

Oleg Lobov, secretary of the Security Council, told our radio station, however, that there are no plans to launch any decisive onslaught against the positions of Dudayev's formations.

Fighting in Groznyy Despite Cease-Fire

LD2505074395 Moscow ITAR-TASS in English 0537 GMT 25 May 95

[By Sharip Asuyev]

[FBIS Transcribed Text] GROZNYY May 25 (Itar-Tass) — Talks were planned to be started in Groznyy today on the settlement of the Chechen conflict under the aegis of the Organisation for Security and Cooperation in Europe (OSCE). The OSCE mission in Chechnya, which took upon itself the role of the organiser and mediator at the talks, suggested ceasefire, starting from last midnight. However, judging by the situation at 00.00 hours today, there is no sign that fighting in Chechnya will be interrupted for the period of the talks. Volleys of missile-launching complexes, firing at the highland areas of the republic, and the sound of engines of night bombers are clearly heard in Groznyy. Submachine-gun and machine-gun shooting is heard from time to time in the city.

The talks are expected to begin at 10.00 in the morning, in the premises of the OSCE mission in Groznyy. Their participants are expected to address journalists, before the talks start.

Chechens Putting Up 'Active Resistance'

LD2505112895 Moscow INTERFAX in English 0945 GMT 25 May 95

[FBIS Transcribed Text] GROZNYY, May 25 (Interfax) - The operation by federal troops to oust illegal armed formations from Chechen areas close to the mountains is facing active resistance from Dudayev militants.

Commander of the joint contingent in Chechnya, Colonel-General Mikhail Yegorov, told Interfax on Thursday that yesterday federal troops suffered eight persons dead and 20 wounded. He said that in some directions, Chechen formations engage in fighting during the operation to rout out the rebels.

"Militants fire at federal troops from tanks, armored personnel vehicles and artillery pieces. They are armed with air defenses systems, for example, Stingers and Arrows," said the general. He also said that weapons and ammunition from outside Chechnya continue to be delivered to illegal armed formations.

Yegorov said before the beginning of the operation federal units had been trained to conduct fighting in the mountains. He expressed confidence that the tasks of ousting the militants and reaching new positions will be accomplished.

According to the general, federal troops practically blocked the militants' exit to the republic's plains, he said.

The general refrained from commenting on the preliminary results of the operation, started in the morning of May 24. "Things go as scheduled," he said. The commander also made it clear that within the next few days it is possible to expect dramatic changes in the situation in the republic.

According to the commander, around a dozen pieces of armored technology, including tanks, were destroyed yesterday.

The general said that before the beginning of the operation, Dudayev formations controlled 20% of Chechen territory where 10% of the population lives. "These are lightly populated mountainous and close-to-mountain areas of the republic," he said.

Yegorov said that federal troops had helped to hold talks in Groznyy under OSCE auspices. "We ensured safety for the participants in the meeting and did not bomb the route along which Dudayev representative arrived in Groznyy," he said.

Chechnya National Accord Party Highlighted

954F2288C Nalchik SEVERNYY KAVKAZ in Russian 6 May 95 p 4

[Interview with Gersolt Elmurzayev, deputy chairman of the Committee on National Accord of the Chechen Republic, by T. Gantimurova: "T. Elmurzayev: 'The Confusion Reigning in the Country Is Reflected in Chechnya'"]

[FBIS Translated Text] Groznyy—Gersolt Elmurzayev was born in 1947 in Kazakhstan. He graduated from secondary school in Urus- Martan in the Checheno-Ingush ASSR and entered the chemical- biological faculty of the Checheno-Ingush State Pedagogical Institute. In his fifth year, G. Elmurzayev was elected secretary of the Komsomol committee of the Checheno-Ingush State Pedagogical Institute. After graduation from the institute he worked in the department and then served in units of the Southern Group of Forces. After demobilization G. Elmurzayev was commander of the republic student construction detachment. Subsequently he was chief of the organizing department of the okrug committee of the All-Union Lenin Young Communist League [Komsomol], first secretary of the Groznyy city committee of the Komsomol, first secretary of the Checheno- Ingush okrug committee of the All-Union Lenin Young Communist League. After that, he was chairman of the executive committee of the city of Gudermes and four years later—chief of the ideological department of the rayon committee of the CPSU and after a year— deputy chairman of the Council of Ministers of the Checheno-Ingush ASSR [Autonomous Soviet Socialist Republic]. In the summer of 1991 he submitted his resignation and went on leave. The reason was that he did not agree with the personnel policy being implemented in the republic. When he returned from leave he was drawn into the whirlwind of political events. General Dudayev, who had twice suggested that G. Elmurzayev cooperate in the new structures of power, came into office. The general's proposal was not accepted either time. G. Elmurzayev is one of those people who participated in the organization of the opposition rally at Teatralnaya Square in Groznyy. As we know, the opposition was defeated at that time. In the autumn of 1993 G. Elmurzayev was arrested and placed in solitary confinement, where he spent 10 days, and was then released thanks to the efforts of the well-known lawyer Z. Khamzayev. After that, G. Elmurzayev, in order to provide a subsistence minimum for himself and his family, tried to work in business. His attempts were not crowned with any special success. G. Elmurzayev is now deputy chairman of the Committee on National Accord of the Chechen Republic.

[Gantimurova] When it comes to questions of termination of military actions and reconciliation, many people are now placing great hopes in the Committee on National Accord [KNS]. How was this organ formed and who is included in the KNS?

[Elmurzayev] The creation of the KNS is not a new idea. It originated back in 1992, when it became clear that armed attempts to replace the Dudayev regime with a normal democratic authority would not be successful. The idea of creating such an organ—at that time, true, it was called the National Salvation Committee—was proposed by Yu. Soslanbekov. Representatives of the intelligentsia, the clergy, former party and economic workers, and people respected among the population were invited to work in the KNS. The KNS also included representatives of the sociopolitical movements Daymokhk and Marsho. Essentially, the organizing committee was basically made up of representatives of Daymokhk. At that time we had a semi-legal chance at least to change the methods of the Dudayev rule somewhat. Unfortunately, our plans were nipped in the bud. In the initial stage of the work of the KNS, all representatives of Daymokhk abandoned us without precisely explaining the reason for this move. At first I could not understand what could stand in the way of our joint work, but then I did understand: Daymokhk had become offended, the leader was not the right one. But can that really be the main thing? The main thing is the idea! The main thing is that the KNS brought together people with rich practical work experience, who knew the customs and traditions of the people. But here they came to a standstill; it was the wrong leader....

[Gantimurova] But during the spring and summer of 1993, when the opposition came out against the Dudayev regime, at that time it seemed that political parties had united.

[Elmurzayev] Yes, at that time all healthy political forces participated in the rally. Including Daymokhk.

The Committee on National Accord was represented by L. Magomadov and myself. This long rally ended with the shooting up of the city assembly. Then Dudayev did something that had never been done before him—he ordered Chechens to fire at Chechens.

[Gantimurova] After that nothing was heard either about the KNS or about Daymokhk. Was any work being done?

[Elmurzayev] The revival of the KNS began to be discussed in Moscow in November 1994. Possibly if this question had been resolved previously we would have been able to avoid the subsequent tragic events with the introduction of Russian troops in December of last year. During that period I worked a great deal with representatives of the clergy. The idea was the same: to gather together the entire political spectrum of the Chechen Republic and form the KNS. There was also an agreement with the National Revival Government. The restoration of the KNS was necessary also because the attitude of the majority of the population toward the new government was ambiguous because of the introduction of Russian troops. Now many people are trying to blame Yu. Avturkhanov and S. Zhadzhiyev for this. I do not share this opinion. If we are to speak of harmony, we must all emerge from this situation together and not draw the people into another stage of this disaster, which could be even more tragic. Therefore, we are inviting into the new KNS everyone who is disturbed by the destiny of the Chechen Republic: former deputies, representatives of cities and villages, sociopolitical movements, and religious authorities.

[Gantimurova] Does the name Committee on National Accord now correspond to its content, or are somebody's ambitions again impeding the work of the KNS, as they did in 1992? Have you learned from the mistakes of past years?

[Elmurzayev] Unfortunately, we can see that certain aspects of the activity of the KNS are not working out the way they were planned. Skepticism is beginning to appear again: This is not right, and that is not right either. Of course, there are things that are "not right" and "not the way they should be." But in order for everything to be "right," we have to work together. Both Khasbulatov and Zavgayev must participate actively in the work of the KNS, support the accord and not split political forces up into clans and groups. It has long been time to clarify one thing—the tragedy of Chechnya is the result of the fact that there has not been accord among us. In the former Checheno-Ingushetia seeds of discord were sown between the Chechens and the Ingush, between the Chechens and the Russians, and so forth. You remember that. If this process continues today, there will be no accord. We must find a path to understanding. They exist, and sometimes they lie on the surface. We need only be able and willing to see them. I am confident that complete accord will come, when we have democratic elections. But now the main task is to establish peace on our planet.

[Gantimurova] In the current situation, considering the complicated relations between the military and peaceful population, the task is not an easy one....

[Elmurzayev] This is why practically not a day goes by when the military do not meet with KNS members: Avturkhanov, Magomadov, myself, representatives of the Territorial Administration. Unfortunately, today we no longer have that disciplined army with political leaders. The political vacuum in the army has not been filled. The soldiers grossly violate the regulations here and there. And the officers are sometimes powerless to change the existing situation. And here things are complicated by the presence of various types of troops in the Chechen Republic. Therefore, when conflicts arise between the military and civilians, people do not know where to go to complain. Now, true, an extreme reaction group has been created, which will delve into each conflict. In general, I can tell you that the confusion that reigns in the country is reflected in Chechnya.

[Gantimurova] Would you comment, please, on the edict of the president of the Russian Federation concerning the approval of the KNS and the appointment of Yu. Avturkhanov as its chairman. Was that not the reason why almost all the Temporary Council moved to the KNS?

[Elmurzayev] Avturkhanov's appointment as chairman of the KNS did not draw all members of the Temporary Council into the committee with him. Although people who had begun to work with Avturkhanov did join the KNS. But there were plenty of worthy new people in it. Particularly representatives of Urus-Martan. The one-sidedness of the KNS is greatly exaggerated. Moreover, we have reached an agreement on the rotation of the members of the KNS. If people come here in search of their place in the sun, referring to their past reputations and do not work constantly on questions of reconciliation and preparations for elections—they will not stay in the committee. I too could rest on my laurels today: I have done a great deal to revive the KNS with the help of my friends by enlisting newspaper people and television employees, and now I will be something like an honorary member of the KNS or will withdraw altogether. But however difficult it may be, I can leave only in an extreme case. That same Khasbulatov and Zavgayev, if they understood the current situation, would enter the KNS and begin to work and would not be scattering the forces to various corners.

[Gantimurova] What caused this position on the part of Khasbulatov and Zavgayev?

[Elmurzayev] In my view, political ambitions alone. They justify their behavior by saying that they do not accept Avturkhanov as the leader. But they forget that just as the king is made by the courtiers, so the politician is made by the people around him. But it is also a fact that neither the federal organs nor the people around Yeltsin want to see this same Khasbulatov in political life, either in the Chechen Republic or, certainly, in Russia. Although I categorically disagree with this. At one time I spoke on the radio station Mayak and said that nobody has the right to prohibit a political figure from participating in the life of his republic or in Russia. And here there is an open confrontation against him. That is unfair. Khasbulatov is a well-known person, an economist with a world name, and we must take advantage of his potential not only for Chechnya but also for Russia. And now his presence in the KNS could help us in questions of reconciliation.

[Gantimurova] What work is the KNS doing for reconciliation?

[Elmurzayev] It is necessary to attend a lot of meetings with residents of the republic and travel through the villages. I have met repeatedly with field commanders. Today four people have gone out into the regions where, as we have learned, the commandos are inclined to put a stop to the senseless resistance and lay down their arms. We are calling for termination of military actions and return to a peaceful life.

[Gantimurova] And are you confident that they will listen to your voice?

[Elmurzayev] It is impossible to live without optimism on this earth. Or without faith either. And if we are to represent the Committee on National Accord, we must lie to people less. In order for people to believe you, you must live according to your conscience and go to the people with an open heart.

'Russia Is Our Home' Forms Krasnodar, Tatarstan Branches

MM2405145395 Moscow ROSSIYSKAYA GAZETA First Edition in Russian 24 May 95 p 2

[Unattributed report: "They Have Supported Movement"]

[FBIS Translated Text] Kuban Governor Yevgeniy Kharitonov has been elected chairman of the initiative group to create the Krasnodar regional organization of the "Russia Is Our Home" election bloc.

"I am consciously joining the 'Russia Is Our Home' movement," he stated. According to the governor he is not troubled by the fact that this movement is the party of power.

In late May constituent conferences will be held in the kray's cities and rayons. At the conferences delegates will be elected to the kray conference, which will be held in the first 10 days of June.

A branch of the all-Russian "Russia Is Our Home" sociopolitical movement is being created in Tatarstan.

The republic's president, Mintimer Shaymiyev, has stated that he supports the initiative to create the movement although he personally will not take part in it. The point is that under the Tatarstan Constitution the president cannot belong to any political party or movement.

Tatarstan Government Gives Up Newspaper Sponsorship

954F2288B Kazan IZVESTIYA TATARSTANA in Russian 13 May 95 p 1

[Decree of the Cabinet of Ministers of the Republic of Tatarstan: "On the Newspapers TATARSTAN KHEBERLERE and IZVESTIYA TATARSTANA"]

[FBIS Translated Text] For purposes of consolidating creative forces, eliminating parallelism and duplication in work, and utilizing budget allocations more efficiently and effectively, the Cabinet of Ministers of the Republic of Tatarstan decrees:

1. The newspapers TATARSTAN KHEBERLERE and IZVESTIYA TATARSTANA shall be removed from the status of cofounders.

2. The proposal of the editorial staff of the newspaper IZVESTIYA TATARSTANA, the Chamber of Commerce of the Republic of Tatarstan, and commercial and banking structures to organize on the basis of the newspaper IZVESTIYA TATARSTANA a newspaper for business circles for more complete and professional coverage of market transformations in the economy shall be adopted.

3. The proposal of the Ministry of Culture of the Republic of Tatarstan and creative unions of the Republic of Tatarstan approved by the labor collective of the editorial staff concerning the organization on the basis of the newspaper TATARSTAN KHEBERLERE of a daily newspaper on cultural life of the Republic of Tatarstan shall be adopted.

4. The Ministry of Information and the Press of the Republic of Tatarstan shall take the necessary measures and provide for coordination of the organizational-technical process related to withdrawal from the status of founders of the newspapers TATARSTAN KHEBERLERE and IZVESTIYA TATARSTANA, and render assistance in the establishment of new periodical publications.

The organizational and property relations in connection with the organization of the new newspapers shall be documented with a protocol in which the party representing the Government shall be the Ministry of Information and Press of the Republic of Tatarstan.

5. The editorial offices of IZVESTIYA TATARSTANA and TATARSTAN KHEBERLERE before 1 June 1995 shall submit to the Ministry of Information and the Press of the Republic of Tatarstan the necessary documents for re-registration of the newspapers in their new status.

6. The Ministry of Finance of the Republic of Tatarstan and the Ministry of Information and the Press of the Republic of Tatarstan shall provide for financing of the editorial staffs of the newspapers TATARSTAN KHEBERLERE and IZVESTIYA TATARSTANA until the publication of the first issues of the newly formed newspapers but not longer than until 1 July 1995.

[Signed] Prime Minister of the Republic of Tatarstan F. Mukhametshin.

[Signed] Chief of the Secretariat of the Cabinet of Ministers of the Republic of Tatarstan N. Bakirov

Status of Tatarstan Banks Reviewed

954F2288A Kazan IZVESTIYA TATARSTANA in Russian 12 May 95 p 1

[Article by Natalya Spiridonova, IZVESTIYA TATARSTANA: "They Opened and Were Joyful, They Saw the Results and Started Crying"]

[FBIS Translated Text] In an interview with IZVESTIYA TATARSTANA on 8 April of this year, chairman of the National Bank of the Republic of Tatarstan Yevgeniy Begachev noted in particular that branches of banks in different cities had not fulfilled the promises they had made when they opened up: They have not participated in making any investments in the republic economy.

In his statement in IZVESTIYA TATARSTANA of 26 April 1995, the deputy manager of the Kazan branch of Mezhkombank, Shamil Nadreyev, pointed out the opposite, using the operation of his branch as an example. At the request of IZVESTIYA TATARSTANA, the National Bank commented on the work of the branches in other cities in the republic during the past year and this year. The figures were fairly curious.

At the present time there are six branches of banks of other cities registered in the republic, including Inkotransbank—Nizhniy Novgorod (registered 22 December 1993), Mezhkombank—Moscow (11 July 1994), Glavmosstroybank—Moscow (7 July 1994), Bashprombank—Ufa (7 September 1994), Samaraagrobank—Samara (15 December 1994) and Bugulme and Nefteprodukt—Moscow (15 December 1994) in Almetyevsk.

The Government and the National Bank of the Republic of Tatarstan had different positions in the initial stages of the development of the system of commercial banks in the republic, but basically they always defended the interests of the economy and the banking system.

During 1992-1993, in compliance with the decision of the Cabinet of Ministers of the Republic of Tatarstan of 6 February 1992 No. 2139, the opening of branches of banks of other regions was prohibited, the deputy chairman of the National Bank of the Republic of Tatarstan, Ildar Tukmakov, told an IZVESTIYA TATARSTANA correspondent. At the end of 1993 the National Bank of Tatarstan justified the need to lift the ban and coordinated with the Government of the Republic of Tatarstan the basic conditions for banks that open up branches on the territory of the republic. They consist in the following: the provision of the branch with real resources and the allotment of investment credit for the development of the republic economy; mandatory decentralized deductions from profit of payments into the budget in the place where the branch is located; real assistance through the branch to the acceleration of settlements among the corresponding enterprises and organizations of the regions; control of the branch by the National Bank and its closure in the event of violation of banking legislation or these conditions.

Upon petitioning the management of banks from other cities confirmed in writing their agreement with these conditions.

Specialists of the National Bank have analyzed the results of the activity of the branches of Inkotransbank, Mezhkombank, Glavmosstroybank, and Bashprombank for 1994 and the first quarter of 1995. The overall sum of revenues of the aforementioned branches during 1994 amounted to 10.235 billion rubles [R], but only two branches received a profit—Inkotransbank and Glavmosstroybank— R1.045 billion, or 10.2 percent of revenues.

The branches of Mezhkombank and Bashprombank kept their costs to the amount of revenue received, that is, they did not come out with a profit.

With revenues from the first quarter of this year in an amount of R12.617 billion, the profit amounted to only R166 million or 1.3 percent of the revenues.

As a result of this activity the branches paid R429 million out of profit into the budget during 1994, and during the first quarter—R38 million.

An analysis of the formation by the aforementioned branches of mobilized and placed credit resources shows that most of the resources are formed at the expense of the republic, including funds in accounts of enterprises and organization (43 percent) and deposits and contributions of the population (6.5 percent).

At the same time the funds invested by the head banks of the branches during the entire period amount to only 20.2 percent of all the resources.

Most of the resources (74 percent) have been placed in interbank credit and only 26 percent in short-term credit for enterprises and organizations of the republic.

An analysis of the structure of revenues and expenditures shows that the disparity between the interest received and paid (the main share of these items) of individual branches is from 30-70 percent, that is, the interest rates of placed credit formed mainly through republic resources is very high, Ildar Tukmakov notes.

The National Bank of Tatarstan, noting the results of the activity of the branches and the failure on the part of the head banks of the given republics to keep their promises during the period of their opening, considers it necessary to consider the prospects of further activity with respect to each branch. Moreover, at the same time the requirements placed on out-of-city banks formed with a petition for opening branches in Kazan and other cities of the Republic of Tatarstan will be increased.

Such petitions have been submitted from the Moscow banks Germes- Tsentr, Tokobank, Rossiyskiy Kredit, Aeroflotbank, and AvtoVAZbank of Tolyatti.

Ildar Tukmakov drew attention to cases in which banks are beginning to open up branches under individual managers whose professional training qualifications do not meet the requirements placed on bank managers.

As a result we already have the pathetic outcome of the "activity" of such managers of commercial banks, some of which are being liquidated and others are in a difficult financial position because of unprofessional management.

In Tukmakov's words, the main requirement of the National Bank of the Republic of Tatarstan in questions of opening branch banks is the selection of professional managers and bank workers, for otherwise the decision will not be positive.

Crime on Increase in Volgograd Oblast

954F2335A Volgograd VOLGOGRADSKAYA PRAVDA in Russian 12 Apr 95 p 2

[Article by I. Biryukova: "The Law Is the Same for Everybody. Crime Is Diminishing, But... There Are More and More Victims of It"]

[FBIS Translated Text] A glance at the soul-chilling photographs of the victims of a brutal murder in the very center of town, in an apartment on Sovetskaya Street, fills one with horror. Journalists were introduced to the materials of the investigation of this and other crimes at a meeting at the investigations administration of the oblast procuracy. Officers of the department investigating especially important cases, jointly with the UVD [Internal Affairs Administration] have exposed and arrested all five of the inhuman monsters who not only failed to spare two young women, but also a five-year-old girl, the daughter of one of them. All of the participants in the crime are so-called "new Russians"—small businessmen and storekeepers. Although this occupation was more of a cover for a completely different means of enrichment. The investigation of the murder in the waiting room of the Khimvolokno joint venture also turned out to be very complicated. But now both those who ordered it and those who carried it out have been arrested. The days before the press conference also turned out to be "rich" in these very horrible crimes. As V.F. Shestopalov, the oblast's deputy procurator, said, in Dzerzhinskiy Rayon, a corpse with 14 knife wounds was discovered in the entranceway of one of the buildings; murders were committed in the same way in Volzhskiy and Mikhaylovka, and in Krasnooktyabrskiy and other rayons in the oblast. It is not only their cruelty that is staggering, but also the motives for these atrocities. In Volzhskiy, a son killed his father. In Krasnooktyabrskiy Rayon, the neighbors did not share an inch of land. Having resolved the "argument" with a gunshot, the killer, evidently coming to his senses, settled the score with his own life as well, and with the same weapon.

The growth of premeditated murders continues, including not a few so-called murders for hire. They are committed by professional killers, outfitted with the very most modern technical equipment and weapons, excelling those available to the police and the procuracy. Such crimes are planned carefully in advance, and measures are taken for the concealment of their traces. And solving such murders remains an acute problem. Last year, of the 381 murders registered, 68 remained unsolved. The worst situation in this respect is in Volzhskiy, Voroshilovskiy, Kirovskiy, and Krasnoarmeyskiy Rayons.

And although in Volgograd Oblast the number of crimes continues its downward trend, and the rate of solution its upward trend, the time for complacency, as V.F. Shestopalov stressed, has not yet arrived.

THE REASONS FOR THE ORGY of crime, obviously, are understandable to everyone. They are the crisis in the economy, the instability of society, legal nihilism, the imperfection of the legislation. And it was not fortuitous that, in answer to the question as to what problems most of all concerned the deputy procurator of the oblast, he responded: "The finance companies." From the very inception of one of the most powerful "pyramids," the procuracy undertakes measures to protect credulous Volgogradans from the inevitable consequences of its collapse. But... the lack of clear legislation "protects" just such companies. Moreover, it is not yet known whether punishment will even be incurred by the "respectable gentlemen" who have already fleeced the most defenseless people with a mercilessness that even a desperate robber would stop at. But the legislators are in no hurry. And it is the same with the fight against corruption—it is just talk. So the organs of law and order often find themselves in a situation where their hands are tied in the face of obvious crimes which, according to the law, are not considered to be such.

And the organs of law and order are not without fault themselves. It is known that one of the most effective means of crime prevention is the inevitability of punishment. But a procuracy check last year brought to light 461 crimes that were not registered by the organs of internal affairs. One of the reasons for this is the wave of crimes, about 8,500 of which had already been committed in three months of this year, and processing them is very complicated. At the meeting, a curious example was adduced. A young fellow who had been beaten and robbed at a bus stop was insistently advised by an officer of one of the ROVD's [rayon departments of internal affairs] not to raise a fuss. After all, the criminals were hardly likely to be found. And would it not be better to simply indicate that the victim was not a victim, because, supposedly, he "fell the distance of his own height." According to a statement by the procurators, almost 500 internal affairs workers have been disciplined. And criminal proceedings were instituted against 17 persons for work-related crimes. As V.F. Shestopalov noted, the procuracy is very concerned with the rise in violations of the law among internal affairs officers. In the first quarter of this year, 16 cases have already been instigated in relation to them, half of which are being conducted by investigators for especially important cases and by senior investigators of the oblast procuracy. And recently an investigator of the Main Administration for Internal Affairs of the city of Volzhskiy was caught in the extortion of a $200 bribe.

To the question by journalists as to whether the leadership of the Internal Affairs Administration, defending the "honor of the uniform," exerts any pressure on the procuracy, V.F. Shestopalov answered in the negative. And that is understandable; the police themselves are interested in the wholesomeness of their ranks. The procuracy by law carries out oversight of all the most acute aspects of the activity of the organs of internal affairs, the Federal Counterintelligence Service, and other law enforcement organs. And for that he holds his officers strictly accountable. Thus, at the latest expanded procuracy collegium, for errors in this work, the Tsentralnyy Rayon procurator was voted unfit for his position; his deputy, O.A. Mayorov, was relieved of the post he occupied; and V.S. Kostrykin, the procurator's senior aide, was given a severe reprimand. And such measures are being taken despite the enormous volume of work. After all, more than 5,000 people are arrested every year with a procurator's warrant alone, while the investigatory apparatus concludes the investigation of 20,000 criminal cases, and suspends the same number. And this entire wave passes through the oblast procuracy.

Complaints were voiced about the courts, which sentence to deprivation of liberty only a third of those who have committed crimes. But the protests of the procuracy against baselessly lenient sentences remain motionless, since the presidium of the oblast court has not yet been formed.

Checks conducted by the procuracy have also brought to light substantial deficiencies in the activities of the tax police, which fails adequately to assess the criminal-legal resources of the fight against economic crime.

IN A WORD, EVERYONE needs to do a great deal to raise the effectiveness of the fight against crime. Of course, measures for the stabilization of the crimogenic situation in our oblast are being taken both by the administration and by law enforcement organs.

The procuracy, the Federal Counterintelligence Service, and the Internal Affairs Administration have worked out and are putting into operation a joint plan with respect to the fight against banditry and organized crime. Investigative-operational groups for exposing bandit formations have been formed and are operating. In the oblast procuracy's department that investigates especially important cases, a special subdivision has been created for the investigation of banditry and premeditated murders. Through joint efforts, a number of large-scale operations have been conducted on the exposure and detention of criminal groupings and others that are not in harmony with the law. In our oblast, more than 100 criminal groupings have been brought to light. With respect to a majority of them, the cases are already in the courts. Just recently, more than 50 persons who committed serious crimes in organized groups have been arrested. Considering that crimes involving the use of firearms are on the rise, the oblast procuracy has given instructions to arrest persons illegally keeping weapons, and also those who have committed serious crimes. The procuracy will toughen the oversight over the discharge of the laws dealing with the fight against the dissemination of pornography, illegal deals with foreign currency, illegal enterprise, and in other directions. But the main thing, as the oblast's deputy procurator said at the meeting's conclusion, is the protection of citizens, society, and the state from criminal encroachment.

It remains only to sympathize with the procuracy organs, since resolving these problems in the absence of clear legislation, and the "solicitous" attitude toward the "Mavrodis" who are participating even in the State Duma, is very, very complicated. But even in these conditions, the oblast procuracy strives to do everything so that the Law—the same for everyone, and mandatory for everyone—should triumph here. And the main thing is that we all be under its protection.

Reports of Large Fire on Surgut Pipeline 'Unfounded'

LD2405144095 Moscow INTERFAX in English 2030 GMT 23 May 95

[FBIS Transcribed Text] TYUMEN, May 23 (PIA-Interfax) — The reports on a heavy fire on a local gas pipeline near Surgut published by western media Tuesday are unfounded, the Tyumen region administration told Interfax's Petroleum Information Agency.

According to an administration spokesman, one of the welded joints opened up causing an insignificant volume of gas to escape and catch fire. The exact amount of gas released is being verified. The accident caused no human victims or destruction and the supply of gas was suspended, the administration said.

Novosibirsk's Indinok on Economic Plight, Western Capital

MK2405120095 Moscow SEGODNYA in Russian 24 May 95 p 3

[Unattributed report under the "Provincial Chronicle" rubric]

[FBIS Translated Text] Novosibirsk — Oblast Governor Ivan Indinok has declared that "the region's current plight is directly attributed to the total cutting off of government subsidies. The no longer needed military-industrial complex is dying. Three sections of the Russian Academy of Sciences situated in the oblast are in a sorry state." From what the governor said, despite the difficult position the oblast "is in no hurry to sell out its mineral resources and adopt any programs with the participation of foreign capital." Mr. Indinok intends to attract funds by selling abroad scientific design concepts of Siberian scientists, and by carrying out expert assessment of military conversion programs in the Russian Federation and CIS countries.

Economic Issues

Fuel, Lubricants Shortage Hinders Spring Sowing

MM2405172495 Moscow ROSSIYSKAYA GAZETA First Edition in Russian 24 May 95 p 6

[Report from a roundup of ROSSIYSKAYA GAZETA and ITAR-TASS reports: "As Ye Sow..."]

[FBIS Translated Text] Spring sowing is being disrupted in Russia.

According to operational figures by the third 10-day period of May, spring crops had been sown to about 25 million out of over 70 million hectares.

In the opinion of specialists from the Russian Federation Ministry of Agriculture and Food, the main reason for the slow rate of field work is the lack of fuel and lubricants. The so-called commodity credit announced by the government whereby fuel must be released to farms to be paid for by the output grown on the fields is not working in many regions.

Producers, Exporters To Cooperate on Oil Policy

MK2505124095 Moscow SEGODNYA in Russian 25 May 95 p 4

[Report by Irina Rozenberg: "Oil Producers, Exporters Join Forces To Vie for World Markets. First Contacts With the International Oil Lobby Have Taken Place"]

[FBIS Translated Text] The Russian Oil Exporters Union and the Russian Oil Industrialists Union signed a cooperation agreement yesterday. The document says that the purpose of the agreement is to prepare and carry out joint actions and also to put forward joint initiatives on matters of mutual interest. The key objectives of this cooperation are improvement in coordination between the producers and exporters of oil and oil products, and also improvement in the legal framework of their activity.

Speaking at a news conference on the occasion of signing the agreement, Oleg Davydov, deputy premier and foreign economic relations minister, who is also chairman of the Russian Oil Exporters Union, noted that "acting together, signatories to the agreement should first of all ensure favorable conditions for oil and oil product producers so that they could export their production." For this reason, under the agreement both these organizations will seek a reduction in export duties on oil and oil products. In the view of both sides, this is essential because export is becoming less and less profitable for oilmen given that domestic prices of oil and oil products continue approaching the world level (while formerly domestic prices were 25-30 percent of the world level, presently they have reached 80 percent).

Russia annually exports 100 million tonnes of oil to foreign countries except for nearby countries. According to Vladimir Medvedev, president of the Oil Industrialists Union, joint actions to be taken under the agreement signed by the industrialists and exporters will enable them to defend the interests of producers in their struggle for sales markets — all the more so because Russia has begun losing its traditional consumers from among East European countries, particularly Poland and the Czech Republic.

So far Russia does not have influence on the situation on world oil and oil product markets and is completely dependent on established world prices (this year, it is $120 per tonne; last year, $90 per tonne). However, contacts between oil producers and exporters, on one hand, and producing organizations of the world's key oil suppliers, on the other, will enable them to gain the requisite experience of influencing prices. In that regard it should be noted that back in April oil industrialists and exporters held a joint meeting with an OPEC vice president.

Oleg Davydov emphasized that "since our economy depends on the fuel and energy sector, moves that will be taken under this agreement must strengthen the domestic economy and commodity production."

The Union of Oil Exporters of Russia was set up in October 1994 as a noncommercial, nongovernment organization bringing together agencies, foreign trade organizations, firms, and enterprises on the basis of voluntary membership. It includes trade companies, such as "Nafta-Moskva," the International Economic Cooperation joint-stock company, KONEX, Rosnefteimpex, Alfa-Economic; producing enterprises, such as LUKoil and Komineft; and also the "Balkar-Trading" joint venture. Deputy Prime Minister Oleg Davydov is chairman of the Russian Oil Exporters Union.

The Russian Union of Oil Industrialists was set up in February 1992 at the initiative of chiefs of the domestic fuel and energy sector's largest enterprises. Presently it comprises over 140 enterprises and companies of the Russian oil and gas sector. Vladimir Medvedev (in the past several years he has headed Sibneftegazpererabotka, a major oil and gas processing association) is president of the Russian Union of Oil Industrialists.

Chubays Comments on Fixed Ruble Rate, Inflation

LD2505101895 Moscow INTERFAX in English 0810 GMT 25 May 95

[FBIS Transcribed Text] Moscow, May 24 (INTERFAX) — Russian government will try to avoid any "revolutionary decisions" related to conditions of the financial market's functioning, First Deputy Prime Minister Anatoliy Chubays declared at the 5th congress of the Association of Russian Banks Wednesday.

In particular, he reaffirmed that the government does not intend to consider issues related to fixation of the ruble rate with respect to the American dollar. "This fixation is already taking place due to the macroeconomic decisions adopted by us without any directive pressure," Chubays declared.

In his words, the fall of profitability level during distribution of state securities and lowering of interbank credits in prices is one of the factors of success of the government's course for financial stabilization "along with the lowering of the inflation rate from 19% to 7%."

Chubays pointed out that the government will strive to create such conditions when it will be beneficial for commercial banks to invest in industry on a long-term basis. However, as he said, it will be done not through a system of special benefits and preferentials but by lowering the attractiveness of speculative operations, primarily on the currency market.

Speaking about the Central Bank's [CBR] decision to change the principles of obligatory reserving of involved money by commercial banks Chubays said that it was adopted without any consultations with the government. At the same time he does not deny that the CBR leadership had certain grounds to adopt tough directive measures which would finally assist in a more rapid lowering of the inflation rate.

Apparent Ruble Exchange Rate Rise Viewed

MM2405155995 Moscow ROSSIYSKAYA GAZETA First Edition in Russian 24 May 95 p 1

[Report by Vyacheslav Goncharov and Aleksey Chichkin: "As It Was, So It Has Remained"]

[FBIS Translated Text] The recent fluctuations in the dollar on the Moscow Interbank Currency Exchange have seriously alarmed many Russians who, fearful in the face of inflation, have switched their savings into currency. The dollar has begun to surrender its positions more rapidly than it has won them. Although many private dollar holders are still continuing to adopt a temporizing stance everywhere, they are already being brainwashed: They are being told that it is more advantageous to hold savings in savings banks today, or in state securities denominated in gold which are about to appear on the stock market.

We do not intend to give any recommendations here. Each person must decide for himself where and how to keep his savings. We are more interested in the fate of the Russian ruble surrounded by hard currencies recognized by the world community, to be even more precise, by the question of whether the ruble really has begun to rise.

"The rise in the nominal value of the ruble in the long term is not economically substantiated," stated Aleksandr Potemkin, director of the Central Bank of the Russian Federation foreign operations department. In his opinion on pursuing exchange rate policy, we cannot ignore the dynamics of inflation. Thus "the long-term stabilization of the dollar exchange rate is possible only if there is a drastic reduction in the inflation level in the very near future." According to government assessments, the inflation level in May will be 6.5-7 percent, which is only slightly lower than in April. It is hardly possible to expect it to decline drastically in the next few months.

Even the Central Bank of Russia's tough credit and emission policy will be able at best to lead to the stabilization of the ruble exchange rate, but in no way its growth. We forget the basic truth that the exchange rate of a national currency is determined neither at exchange trading nor even by interventions of foreign currency taken, incidentally, on loan from the IMF. The exchange rate is determined by the quality and competitiveness of the goods and services produced in the country. Any money unit has its own numerator and denominator in this connection. The numerator includes output and services that are competitive on the world market, and the denominator includes the uncompetitive ones. So our ruble is so far only a mirror image of the dollar, and its exchange rate is determined the correlation of the numerator of the dollar against the denominator of the ruble. If U.S. business is working to increase the numerator of its currency, we are still increasing the denominator of the ruble; that is, we are producing uncompetitive output. As long as we proceed along this "course" the ruble will fall and fall. We should have no illusions on that score.

The dollar exchange rate, alas, is growing not only with regard to the Russian ruble, but also on the Eurocurrency market. Over the period 10-11 May the dollar rose 2 percent against the German mark, 2.8 percent against the Swiss franc, and nearly 2 percent against the French franc. It rose an average of 1.8 percent against the currencies of the Scandinavian countries and 2.1 percent against the Benelux currencies. The Japanese yen also suffered: Its exchange rate against the dollar dropped 2 percent. Of course, these fluctuations were affected by the United States' intention to declare an economic blockade on Iran and introduce trade sanctions against Japan because of its "excessive protectionism" in trade with the United States. The revival of the North American securities market has also affected it. The programmed "flight" in West Europe away from gold because of the marked decline in its dollar price has had an effect on the London currency exchange over the first half of May; that is, the price for an ounce fell by a whole 3.7 percent including 2.6 percent over 10-11 May (!)

Why, then, has the dollar suddenly begun to fall on the Moscow currency exchange? Alas, in all likelihood many people have interpreted the ordinary currency exchange games as the onset of a currency miracle. They are fluctuations — a certain rise in the ruble's exchange rate can be followed by its fall.

We must also consider something else: The increase in the volumes of interventions at auctions is accompanied by a reduction in the currency stocks of the Central Bank of Russia, which under the conditions of the super-tough budget simply must not be used in risky operations. Especially since according to the figures of the Vienna institute of international economic analyses, they are being cut back: In December 1993, the Central Bank of Russia currency reserves were assessed at $4.53 billion and in December 1994 at $2.8 billion and in the first four months of this year at just $2.6 billion. God grant they have got it wrong....

One last point: According to forecasts by interbank forward market experts, by mid-July the dollar selling rate will be 5,488 rubles and the buying rate 5,450 rubles. By the middle of September the figures will be 5,890 and 5,840 respectively.

Yet we do indeed want our Russian ruble to rise up and to win back from the "greenbacks" its lost positions. But wishing is not enough, alas.

Gaydar Supports Government Stabilization Efforts

LD2405141995 Moscow INTERFAX in English 2030 GMT 23 May 95

[FBIS Transcribed Text] Nizhniy Novgorod, May 23 (INTERFAX-EURASIA) — The Russian government's economic stabilization efforts have serious chances of succeeding, the leader of the Russia's Democratic Choice party, Yegor Gaydar, told a news conference in Arzamas, the Nizhniy Novgorod region, Tuesday.

According to Gaydar, if the cabinet makes no "unexpected zigzags," the inflation rate in May will not exceed 6% and will remain at 4% from July to autumn. This will result in "a sharp decline in interest rates and a stabler ruble rate, which will force banks to channel funds to credit the economy," he said.

At the same time, Gaydar excluded the possibility of forming a bloc together with Viktor Chernomyrdin's "Our Home Is Russia" bloc, because the latter "needs a large state where too much will depend on bureaucrats."

Gaydar reiterated that he could not understand Grigoriy Yavlinskiy's refusal to unite with Russia's Democratic Choice: "the Yabloko leader was offered the main thing he wanted — the nomination as presidential candidate."

Commenting on the future presidential elections, Gaydar said that only three forces — Communists, agrarians and Chernomyrdin's bloc — will be able to easily canvass the 1,000,000 signatures required to nominate a presidential candidate. In his opinion, the LDPR [Liberal Democratic Party of Russia] and Russia's Democratic Choice will be able to do it with a lot of difficulties.

During his stay in the Nizhny Novgorod region, Gaydar visited the closed town of Arzamas-16, which hosts a nuclear center, Diveyevsky Convent and Arzamas, the native town of his grandfather, renowned writer Arkadiy Gaydar.

Gaydar met Nizhniy Novgorod Governor Boris Nemtsov in Arzamas Monday.

Belyayev Views Bank Shares Sale for Revenue

MK2505104095 Moscow SEGODNYA in Russian 25 May 95 p 2

[Report by Elmar Murtazayev in the "Moves" column: "The State Property Committee Explains Privatization of Sberbank by Fiscal Necessity and Regards It as the Start of the Second Stage of Privatization"]

[FBIS Translated Text] The State Property Committee intends in the very near future to start selling the state-owned block of shares in Sberbank [Savings Bank] and Rosgosstrakh [Russian Insurance Bank], State Property Committee Chairman Sergey Belyayev said at a routine business lunch organized by the U.S. Chamber of Commerce. According to him, the main reason for privatizing these financial establishments was the persistent wish by Russian lawmakers to include at least 9 trillion rubles as receipts from privatization into the budget revenues. In this context the idea to provide preliminary federal budget financing to a commercial structure — the Natsionalnyy Kredit Bank, which is the prime candidate for the acquisition of Sberbank shares and therefore the main source of treasury revenues from privatization — looks rather original.

Meanwhile Belyayev described the moves toward privatizing Sberbank and Rosgosstrakh as the "beginning of the second stage of privatization" whereby before the end of 1995, state-owned shares of stock in large Russian joint-stock companies will be put on offer, and the shares of 7,500 small- and medium-sized Russian enterprises will be sold.

Under the plan, subject to privatization in 1995 are virtually all enterprises in Russia except for those producing strategic goods (their list has already been defined). Furthermore, the State Property Committee has managed to resolve the question of the reserve price at auctions: The methodology of establishing it will be published in the very near future. Prices for land plots under privatizing objects will be reduced: Plans call for cutting these prices by 20 times. Commenting on this, Belyayev observed that he does not understand how he has managed finally to get this document signed.

The State Property Committee chairman noted that he does not understand how it is possible to undertake privatization and derive profits from this process at the same time. Stressing that any state first pays money for privatization and only then begins to get revenues from privatized enterprises ("It is only in Russia that these two processes evolve simultaneously"), the State Property Committee chief said that privatization should yield the same volume of funds (20-30 trillion rubles) as IMF credit infusions.

Referring to the sale of stocks of small- and medium-sized enterprises, Sergey Belyayev said that the main buyers here should be their current owners. "It is clear to us," the chairman went on, "that they cannot pay much. The point is, however, that this will contribute to the emergence of a really effective owner, which was not the case in the first stage of privatization." Belyayev also reported that the second stage does not provide for the participation of labor collectives.

Belyayev complained about the absence of a privatization law, adding that the opposition's view about the prematurity of the second stage is unsubstantiated: "Some 7,500 enterprises are, in my opinion, not much. The opposition believes that the State Property Committee will offer the shares all at once, and only in Moscow, which will result in the collapse of the stock market. This is not so, however: We have a carefully conceived program." Sergey Belyayev said that he has already managed to convince several deputies of the need to adopt a privatization law. In conclusion, predictably, Belyayev called on foreign businessmen to invest money in Russia.

Panskov Predicts More Revenue, Less Spending

LD2405161895 Moscow INTERFAX in English 2030 GMT 23 May 95

[FBIS Transcribed Text] Moscow, May 23 (INTERFAX) — The Russian national budget revenue will probably be larger than planned in the first half of the year (it was 103% of the target in the first quarter of the year) but spending is doomed, Russian Finance Minister Vladimir Panskov told a meeting of the Agrarian Party parliamentary group Tuesday.

He explained this situation by saying that one third of the budget deficit, totaling 73 trillion rubles, is offset by outside funds, in particular foreign credits.

He said that what Russia has received from these sources falls nearly nine trillion rubles short of the target. The International Monetary Fund's credit accounts for most of that amount. Panskov added that Moscow failed to have the Paris club restructure the Russian debt and failed and will fail in obtaining profit from foreign trade, in particular as export duties.

The federal budget, he predicted, will be executed by a maximum of 86% while in the first quarter this percentage was 81.76.

Decree on Delegation to International Banks

MM2305141995 Moscow ROSSIYSKAYA GAZETA First Edition in Russian 23 May 95 p 10

[Russian Federation Government Decree No. 481 "On Representation of the Russian Federation in the International Bank for Economic Cooperation and the International Investment Bank"]

[FBIS Translated Text] Moscow, 16 May 1995 — To ensure the Russian Federation's participation in the activity of the International Bank for Economic Cooperation and the International Investment Bank the Russian Federation Government decrees:

1. That the Russian Federation Ministry of Finances be assigned the functions of the department representing the Russian Federation in the council of the International Bank for Economic Cooperation and the council of the International Investment Bank.

2. That V.G. Panskov, Russian Federation Minister of Finances, be approved as head of the Russian Federation delegation in the council of the International Bank for Economic Cooperation and the council of the International Investment Bank.

The composition of the Russian Federation delegation in the council of the International Bank for Economic Cooperation and the council of the International Investment Bank is to be approved in accordance with the appendix.

3. That the head of the Russian Federation delegation to the council of the International Bank for Economic Cooperation and the council of the International Investment Bank be assigned the organization of the delegation's work to ensure the Russian Federation's participation in the activity of these banks.

[Signed] V. Chernomyrdin, chairman of the Russian Federation Government

Composition

The Russian Federation delegation to the council of the International Bank for Economic Cooperation and the council of the International Investment Bank includes:

A.P. Vavilov, Russian Federation first deputy minister of finances

A.A. Khandruyev, first deputy chairman of the Bank of Russia

Regional Privatization Commissions Established

MM2505095595 Moscow ROSSIYSKAYA GAZETA First Edition in Russian 24 May 95 p 1

[Unattributed report: "Regional Commissions"]

[FBIS Translated Text] At the second stage of privatization, an important role is assigned to regional commissions for securities and the stock market.

Back in February the government approved the model statute on these commissions. Active work then began locally. Now the statutes of 18 regional commissions have been adopted and their chairmen have been appointed. They include P. Kustov, deputy head of the Kostroma Oblast administration; A. Zhiltsov, minister of the economy of the Republic of Buryatia; and V. Fisher, deputy chairman of the Tomsk Oblast state property fund.

Official Criticizes Lavish Government Spending

MK2505074095 Moscow SEGODNYA in Russian 25 May 95 p 2

[Report by Mikhail Lantsman under the "Expert" rubric: "Andrey Illarionov: A Bureaucratic Restoration Under Way in the Russian Economy. Government Spending Has Soared to 26.5 Percent of GDP"]

[FBIS Translated Text] Andrey Illarionov, director of the Economic Analysis Institute, at a news conference yesterday cited data on the dynamics of government spending in Russia over the past several years. In 1992, after steep cuts in defense orders, the share of government spending dropped to 16 percent of the GDP. As early as 1994, however, it bounced back to 22 percent of the GDP. In the first quarter of 1995, the share of government spending soared to a level unprecedented even for the former USSR — 26.5 percent of the GDP, Mr. Illarionov said. Moreover, the increase in government spending is taking place at a time when the GDP is shrinking in real terms. At the same time, during the first four months of this year, Mr. Illarionov said, all indicators regarding the standard of living went down drastically: Real consumption and retail trade turnover plunged 9 percent; real income, 12 percent; and the share of labor remuneration payments in GDP went down from 40 percent to 30 percent of the GDP.

Mr. Illarionov attributed the 4.5-percent growth in government spending in the first quarter of this year to only one factor — military and restoration operations in Chechnya. One obvious conclusion is that the population has become hostage to government measures meant to achieve financial stabilization. This is a result of the government's attempt to resolve simultaneously two mutually incompatible problems: to curb inflation and to pacify Chechnya, Mr. Illarionov thinks. "A bureaucratic restoration is under way in the Russian economy" was how he commented on the situation.

At the same time, as Andrey Illarionov pointed out, the situation that has currently come about in Russia has never been more favorable for achieving financial stabilization. A number of factors, however, give cause for serious concern about its feasibility. The slowing down of the pace of price growth on the consumer market (the estimated inflation rate in May is 7 percent) has been accompanied by a significant growth in prices on wholesale markets (15 percent). No genuine liberalization has occurred in the fuel and energy sector either, Mr. Illarionov said. For instance, although prices of energy resources still do not exceed 30 percent of the world level, their export in April fell 3 percent against the same period last year.

The situation has been further destabilized, Mr. Illarionov believes, by the government's suppression of trustworthy economic information. According to official statistics, the monthly growth in the money supply does not exceed 1 percent. In reality, however, it grew by 10 percent in the first quarter and by another 20 percent in April, Mr. Illarionov estimates. The Finance Ministry's report on implementation of the state budget asserts that the Central Bank has not been involved in financing the budget deficit. According to the Central Bank's balance sheet, however, the bank has spent 4 trillion rubles to buy government securities. The population has to pay dearly for the regime of economic secrecy that gives rise to high inflationary expectations, Mr. Illarionov concluded.

International Affairs

Kuchma Sends Letter to Yeltsin on Black Sea Fleet

LD2405162195 Moscow INTERFAX in English 2030 GMT 23 May 95

[FBIS Transcribed Text] RIGA, May 23 (Interfax) — Ukrainian President Leonid Kuchma sent a letter Tuesday night [23 May] on the Black Sea Fleet to his Russian counterpart Boris Yeltsin, Kuchma told Ukrainian journalists who are accompanying him on his official visit to Latvia.

In the letter he expressed the hope that the Russian and Ukrainian leaders will contribute to resolving the fleet problem when they meet at the CIS summit in Minsk. Kuchma emphasized that statesmen, not generals, will resolve this problem.

Kuchma said that the fleet is an issue facing Kiev and Moscow rather than between Kiev and Simferopol.

Moroz, Cuban Foreign Minister Discuss Relations

AU2405131695 Kiev HOLOS UKRAYINY in Ukrainian 23 May 95 p 1

[Unattributed report: "Cubans Want To See Oleksandr Moroz as Soon as Possible"]

[FBIS Translated Text] Chairman of Ukraine's Supreme Council Oleksandr Moroz received Roberto Robaina Gonzalez, minister of foreign affairs of the Republic of Cuba, who has arrived in Ukraine today on an official visit. During the meeting, questions of Ukrainian-Cuban relations, including interparliamentary ties, and problems of international cooperation were discussed.

Having expressed deep gratitude for Ukraine's Supreme Council statement regarding the blockade of the Republic of Cuba, Roberto Robaina Gonzalez stressed, in particular, that the situation in his country is complicated, but that the most difficult stage is already behind. The Supreme Council chairman said that Ukraine's external policy, including that with regard to Latin American countries, is based on the principle of equal relations. The large distance between Ukraine and Cuba, he pointed out, is not and cannot be an obstacle on this road. The foreign minister reminded O. Moroz about the invitation to come to the Republic of Cuba on an official visit and asked him to expedite the visit as much as possible.

Gonzalez Views Bilateral Cooperation

AU2405113695 Kiev URYADOVYY KURYER in Ukrainian 20 May 95 p 3

[Interview with Cuban Foreign Minister Roberto Robaina Gonzalez by Oleksandr Dubyna; place and date not given: "Bridges of Trust"]

[FBIS Translated Text] [Dubyna] Mr. Minister, what is your assessment of the present state of relations between Ukraine and Cuba?

[Robaina] The present relations are positive, and they are mainly humanitarian in character. Many young Cubans got their professional education and lived among your people in this wonderful land. Today, many Ukrainian children, affected by the consequences of the Chernobyl catastrophe, receive generous help from many Cuban physicians and other specialists.

I would like to say a few words about this aspect, because the care that the children of Chernobyl get means, first and foremost, that our children have given to their Ukrainian friends Cuba's largest young pioneers' camp, hospitals, and a provate beach, as well as hundreds of physicians, nurses, and technical workers who do everything they can to save the lives of Ukrainian children and restore their health, as though they are their own children.

Even despite all the limitations that the country suffers today, not a single voter and not a single social group in our country, that is to say not a single Cuban patriot, questioned this practice. Even though mothers expressed their concern about limitations for our sick children, everybody understood that it was not simply a manifestation of gratitude and duty, but a normal humanitarian act with regard to tens of thousands of innocent and helpless victims.

Besides, we established channels of communication between institutions of our two states, and there is an ever growing level of mutual understanding.

We strive to further develop our relations and cooperation based on mutual interest and mutual consistent respect for each other's sovereignty and independence.

President Fidel Castro had a personal meeting with Ukrainian and Russian envoys in Havana during the reception on the occasion of the 50th anniversary of the victory over fascism. The meeting lasted more than two hours. I know that it was a very fruitful conversation, a conversation of friends. I will be greatly honored if my visit promotes these efforts.

[Dubyna] What specific results do you expect from your visit to Ukraine?

[Robaina] I hope that this visit will open up new roads toward mutual understanding, trust, and mutual recognition between the Foreign Ministries and governments of our two countries, will clarify points of view of each side on the national realities and international problems, and will also pave the road toward normal and mutually advantageous trade and economic relations.

Not to speak of the purely humanitarian aspect, a possibility to meet old friends, who will hear directly from Cuban lips, and not from somebody else, about what is going on on the island, will get a better idea of the true image of our fatherland and the very original model of socialist revolution that we started 36 years ago, a revolution that we support and defend without feeling ashamed, with great dignity and pride, despite all the changes that are taking place in the world.

[Dubyna] What are, in your opinion, the most promising trends in Ukrainian-Cuban cooperation?

[Robaina] There may be many of them. It would suffice to say that your country accounted for much of our commodity turnover with the former USSR. I can mention two types of goods: Wheat and coal that our country still consumed a few years ago were almost entirely from Ukrainian land.

Today, we specified those branches of our economy in which we can actually work in order to find forms of mutually advantageous cooperation. One should not forget that quite a number of Cuban enterprises are equipped with technology and materials manufactured in Kiev, Kharkiv, or Lvov.

However, I want to say first of all that Cuba is capable of supplying to the Ukrainian market those goods that present great interest, in particular, high-technology medical and biological preparations. There is also an extensive range of proposals in the sphere of tourism and new possibilities for attracting mixed capital into branches of industry.

[Dubyna] What wishes would you like to express through the Ukrainian press?

[Robaina] I would like to express my feeling of great respect for and gratitude to the Ukrainian people, especially in these days of May, because I know what enormous human casualties and heroism your nation placed at the altar of victory over fascism and for its own freedom and independence.

We also respect Ukrainians for their talent, diligence, and temperament similar to ours, a temperament that makes them different from other European nations. I will always say that we are united by ties of friendship. However, above all, we are united by an important and integral part of our common history.

National Affairs

Two Military Training Grounds Offered for Lease

LD2405195195 Moscow ITAR-TASS in English 1653 GMT 24 May 95

[By Galina Nekrasova]

[FBIS Transcribed Text] LVOV, May 24 (Itar-Tass) — Ukraine has offered two of its military proving grounds, the largest in Europe, for lease to train peace-keeping troops.

Colonel-General Vasiliy Sobkov, deputy Ukrainian Defence Minister and commander of Ukraine's land forces, said at a news conference in Lvov on Wednesday [24 May] that the two training ranges are PrikVO near Lvov and Shirokiy Lan in the Odessa military district.

Sobkov pointed out that their lease is especially important now when local wars are ranging in a number of regions and there are no other well-prepared military training ranges in Europe.

Germany, France and Britain send their troops to Canada for training. The "Peace Shield-95" military exercises now underway in Ukraine have shown that Ukrainian training ranges can suit the purpose, Sobkov said.

On Thursday, the exercises are expected to be attended by Ukrainian Defence Minister Valeriy Shmarov and U.S. Defence Secretary William Perry.

Supreme Council, OSCE Heads Meet

LD2405205295 Kiev UNIAN in Ukrainian 1425 GMT 24 May 95

[FBIS Translated Text] Kiev — On 24 May during a meeting between Ukraine Supreme Council Chairman Oleksandr Moroz and Andreas Kolshutter [name as received], head of the Organization for Security and Cooperation in Europe [OSCE] in Ukraine, a positive assessment was made of the main conclusions drawn by the participants in the round table on the issues regarding regulating the political and legal situation in Crimea held in Locarno, Switzerland. These included the statement on the need to abandon the idea of holding a Crimea-wide referendum, to preserve the Crimean Supreme Council, and to treat as a good basis for solving the Crimea crisis the "Ukrainian Law on Dividing the Functions of Bodies of State Power in Ukraine and the Autonomous Republic of Crimea," which was adopted in June 1992 but has not been put into effect because the

Crimean Parliament has not brought Crimean legislation into line with Ukrainian legislation.

Oleksandr Moroz stated that he believed it is totally realistic to say that this law can be put into effect if Crimean legislation is made to comply with Ukrainian legislation. He also noted that the proposals by the Autonomous Republic of Crimea Supreme Council Presidium regarding the annulment of the Crimean Constitution by the Ukrainian Parliament can only be satisfied if these conditions are fulfilled. In such a case, the "Law on Dividing the Functions..." could be included in the Ukrainian Constitution and the new Crimean Constitution.

On behalf of the OSCE, Andreas Kolshutter expressed readiness to participate in further regulation of the legal situation in Crimea. He also agreed that the OSCE can assist in directing investment toward Crimea.

Marchuk Promises 'Highly Professional Government'

AU2405164095 Kiev HOLOS UKRAYINY in Ukrainian 23 May 95 p 1

[Unattributed report: "The Transfer of Keys in the Government Will Proceed Without Sensations"]

[FBIS Translated Text] The Ukrainian president has authorized Ukraine's acting Prime Minister Yevhen Marchuk to prepare proposals for the composition of the new government, Valeriy Pustovoytenko, minister of Ukraine's Cabinet of Ministers, told the INTERFAX-UKRAYINA agency.

Asked by INTERFAX-UKRAYINA on which principles the new cabinet will be formed, Marchuk stressed that "there will be no revolutionary emergency situation when keys will be taken away from the old personnel, and new people will be employed."

"We would like to avoid politicization in the formation of the government. The most important task is to try and form a highly professional government," Marchuk said and added that he does not intend to form a coalition government "simply to satisfy all politicians at the expense of professionalism."

According to him, it is possible to select the people on a competitive basis.

Marchuk stressed that the president will adopt an final decision on the composition of the Cabinet of Ministers because he is the head of the executive branch.

The acting prime minister does not rule out the possibility of structural changes in the government. At the same time, V. Pustovoytenko stated that "if there are structural changes at all, they will be insignificant." According to him, "it has been suggested that he reduce the number of ministries." "It is my point of view that everyone must do his specific work," the minister of Ukraine's Cabinet of Ministers told INTERFAX-UKRAYINA.

Parliament Adopts National Security Concept

LD2405165395 Kiev UNIAN in Ukrainian 1330 GMT 24 May 95

[FBIS Translated Text] Kiev — On 24 May the Ukrainian Supreme Council adopted in its first reading Ukraine's national security concept drawn up by the previous parliament and agreed with Ukrainian President Leonid Kuchma. The concept includes the president's proposals on granting him the right to appoint members of the National Security Council under the president. The MPs did not agree with Kuchma's proposal to exclude from the concept a provision on the right of the Supreme Council to define the main areas for Ukraine's national security.

Volodymyr Horbulin, the secretary of the National Security Council and the president's national security adviser, said: "The process of safeguarding Ukraine's national security has been stepped up but it has been fundamentally complicated by the economic situation in the state and the absence of experience and personnel." In his words, the concept expresses the essence for Ukraine's national security, likely internal and external threats as well as ways of averting them. Horbulin stressed that the concept was based on the founding state documents such as the Declaration of State Sovereignty and the Constitution of Ukraine, which defined the country's status as neutral.

Horbulin noted that the concept took into account the protection of other states' national interests where not only military but also humanitarian factors were playing an even larger role. In particular, it stressed avoiding Ukraine's energy dependency and expanding information.

Horbulin stressed that the concept did not foresee a mechanism for safeguarding national security. For this, according to him, it was necessary to approve respective laws.

PRAVDA Views Parliament-President Clash in Kiev

MM2405[illegible]5495 [24 May] Moscow PRAVDA in Russian 24 May 95 p 1

[Report by Viktor Drozd: "'Corset' for the President. There Is a Country in Ukraine But No State"]

[FBIS Translated Text] Kiev — [Ukrainian Supreme Council Chairman] Oleksandr Moroz used the anniversary of the convocation of the current Ukrainian Supreme Council to assess the current situation in the republic; he named culprits and suggested solutions to the growing crisis. It is a thorough blend of economics and politics since, according to Moroz, the redistribution of property is taking place under cover of reform and (as is particularly clear from the Crimean example) is giving rise to a redistribution of power. The contradictions between election programs and the results obtained have reached the point beyond which "the country ostensibly exists, but there is no state."

Now, when actions need to be particularly well coordinated, the idea of the "Supreme Council's conservatism" is insistently being instilled in Ukrainian citizens' consciousness.

We have seen all this before. Does this mean that the bitter lesson has not been learned? It means that problems are once again being artificially piled up.

I personally, Moroz stressed, am in favor of the following option. Plebiscites or referenda now represent political suicide for both politicians and the state. We must without delay form a government and a constitutional court and adopt a new constitution and law on elections of representative organs of authority.

Deputies from the right-wing bloc immediately viewed Moroz's speech as a "corset for the president."

It must be borne in mind, however, that the deputies from the regions that brought [Ukrainian President] L. Kuchma to power oppose the law on authorities. And it is supported by deputies from the regions that voted against the incumbent president. So, if we assume that by means of this agreement the president will indeed take revenge in the battle with parliament, the victory will be a tactical and unstable one and will result in the removal of Kuchma himself. Consequently, a solution which the majority of deputies would support has to be sought. Any other option poses a direct threat to democracy.

Emergence of Kravchuk-Moroz 'Anti-Presidential Team'

WS2505091495 Kiev VSEUKRAINSKIYE VEDOMOSTI in Russian 18 May 95 p 2

[Report by Serhiy Nesterenko: "Strange Note With Unpredictable Consequences" — passage in italics published in Ukrainian]

[FBIS Translated Text] An interesting situation occurred at a recent session of the Supreme Council Presidium. Quite unexpectedly, [Supreme Council Chairman] Oleksandr Moroz made public a note directed to him which read as follows (it is quoted without changes):

"The development of events indicates that the Supreme Council should make decisions about reflecting in the constitution the executive authority's intentions regarding state construction.

"I suggest that a decision be made about holding a Ukraine-wide referendum on Ukraine's state system.

"This would allow us to get out of the dead end, embark on the path of passing a Ukrainian constitution, and prevent certain political forces from attempting to obtain powers in an unconstitutional way."

The signature of Leonid Kravchuk is at the bottom of the note; at the top of it, however, is Mr. Moroz's resolution: "To L. Horevyy. Should be discussed by the Presidium." Such an increase in the speaker's attention is somewhat strange. First of all, this note, carelessly written on a deputy's stationery, does not resemble a document. Nevertheless, Moroz has written a resolution on it. Second, the efficiency with which Oleksandr Moroz responded to the note — although he has never displayed political sympathies toward Kravchuk — is surprising. Inquiries of other deputies, filed in a proper manner, very often have to wait much longer. It is also symptomatic that Moroz's resolution was addressed to L. Horevyy, who once held a post in the Central Committee of the CPSU. The situation which has developed allows us to predict that the note may serve as the signal for an attack on the executive branch.

Further development of events indirectly proves the correctness of such conclusions. The discussion of the note held at the Presidium was opposed by Petro Sheyko, chairman of the Commission for Issues of Regulations, Deputies' Ethics, and Deputies' Activities. This is how Petro Volodymyrovych explained his stance in an interview with VSEUKRAINSKIYE VEDOMOSTI: "A discussion of the note by the Presidium would violate the regulations. After all, it is not clear what it is — a deputy's opinion, inquiry, or perhaps something else. Naturally, the Supreme Council leadership jumped at the note since it came in very handy, because it 'ripened' just in time for discussion of the Law on Power scheduled for Thursday. Therefore, we made a decision to examine Kravchuk's proposal in two committees, first. If they deem it as necessary, the proposal will be submitted for discussion by the deputies at a Supreme Council session."

Mr. Sheyko received what he wanted. Then, Oleksandr Moroz came up with another surprise. He asked for 10 minutes during the session's opening week to greet the deputies on the first anniversary of the Supreme Council's activities. In fact, he delivered a speech abundant with criticism of the executive branch. It was perhaps, the first time when the speaker so openly spoke out against the presidential team. In the context of Kravchuk's note, this speech gives grounds for making quite a grim forecast.

The point is that the "Kravchuk-Moroz" anti-presidential team is going to be set up, uniting several powerful political factions. Leonid Makarovych is backed up by the Ukrainian Republican Party and its supporters, and the team set up at the time of his presidency; Moroz is supported by a conglomeration of leftists. Thus, the political parties which have been unyielding enemies until now, are closing their ranks to fight against the executive power. The president also does not intend to back off. However, such open antagonism between two branches of power could divide the population into feuding sides. Then, the peace which Leonid Kravchuk considered as his principal achievement may be destroyed.

Moroz Portrayed as Political Opportunist

954F2270A Kiev MOST in Russian 8-14 May 95 No 18, pp 4-5

[Article by Vyacheslav Pikhovshek and Aleksandr Chekmyshev: "'The Most Brilliant of the 450': Lines to the Portrait of the Speaker of the Ukrainian Parliament"]

[FBIS Translated Text] Oleksandr Moroz, chairman of the Supreme Council of Ukraine, once termed his work "the ability to unite the efforts of 450 geniuses." His personality is giving rise to increased interest in Ukrainian society. This is not surprising— having made an astonishing career, unprecedented in past Soviet times, O. Moroz has known how to remain for the communists "their man" and simultaneously to avoid the direct attacks of the national democrats, who chose for themselves initially the target of the more "imposing" I. Plyushch and L. Kravchuk and, subsequently, V. Masol and A. Tkachenko. Now, however, times have changed, and the speaker has "emerged from underground."

Biographical Information

The present chairman of the Supreme Council of Ukraine was born on 29 February 1944 to a peasant family in the village of Buda of the Kiev region's Tarashchanskiy Rayon. He is an engineer-mechanic by education. He worked for 12 years in his specialty: at a sovkhoz-technical school and in rayon and oblast Selkhoztekhnika associations. In 1983 he became secretary of the Kiev Oblast Council of Trade Unions, and later, first secretary of the Tarashchanskiy Rayon Party Committee, the same one in which in the 1970's the present deputy speaker, Oleksandr Tkachenko, had been first secretary, and was subsequently in charge of the Agrarian Department of the Kiev Oblast Party Committee. A people's deputy of Ukraine. A founder of the Socialist Party of Ukraine and chairman of its Political Council and, as of recent times, party chairman.

After the last parliamentary elections, Oleksandr Moroz, leader of Ukraine's socialists, having won a convincing victory over Oles Shevchenko, a leader of the opposition Republican Party of Ukraine (the successor of the Helsinki Union civil rights organization), became a people's deputy for the second time. Shortly after, with a negligible majority—171 votes "for" with 151 "against"—he was elected chairman of the Supreme Council of Ukraine.

Legacy

The Supreme Soviet of the former Ukrainian SSR was not, of course, a full-fledged parliament. The deputies were elected practically unanimously on an uncontested basis and they met in session merely to formally adopt the decisions of the Central Committee, approve the plan of action of the Council of Ministers, also written in the Central Committee, and discuss purely economic matters far removed from law-making. The history of the activity of the previous Supreme Soviet headed initially by V. Ivashko and subsequently by L. Kravchuk and I. Plyushch abounds in numerous examples of the legislative body's interference in current affairs of the executive, the reversal of decisions of the latter, and a "fixation" with economic problems, which frequently afforded analysts a pretext for comparing the Ukrainian Parliament with party activists or enterprise managers. The attempts of the deputies to resolve local problems of individual branches, individual regions, and even cities and townships has remained to this time a daily practice. In addition, promises to bring water or gas to a village, continue a road, and renovate an animal husbandry unit became a rule of bon ton, virtually, during the election campaign. The image of some kindly mini-tsar who "both cares and feeds," which hardly becomes a deputy of the highest level, proved highly popular among the candidates for parliamentary seats, and O. Moroz also, inter alia, succumbed to its fascinating temptation.

Consequently, doubts arose immediately as to whether O. Moroz had a clear-cut position on what the supreme organ of legislative power of Ukraine should be doing. Oleksandr Moroz had spoken in laudatory fashion about the practice of the Supreme Council's interference in petty affairs of the national economy both before and after he became chairman of the Supreme Council. Thus, for example, he told your correspondent shortly after he had become speaker: "Truly, the Supreme Council should bear the responsibility for there being bread on our people's table."

Oleksandr Moroz came to head the Ukrainian Parliament not long before the presidential elections. As distinct from those who had headed the Supreme Soviet in the times preceding the struggle for independence and in the period when it was being established—V. Shevchenko, V. Ivashko, and L. Kravchuk—O. Moroz came for the first time to head a parliament without a clearly expressed "preponderant majority." This fact and also the pressure on the part of the communists, socialists, and agrarians, who are ideologically close to Oleksandr Moroz, prompted the chairman immediately following the parliamentary elections to take a number of steps aimed at limiting presidential authority. In the third year of independence the representatives of forces of the left have finally convinced themselves that the institution of the presidency represents not only an obstacle to communist revanche but also a serious danger for the "holy of holies" from the viewpoint of the left—the system of councils. Having become speaker at a time of the virtually total failure at the elections of his own party (it managed little more than a dozen seats in parliament), O.O. Moroz proved yet again that he knows how to select the tactically correct position.

We Do Not Need a President, Except, Perhaps If I Am Elected President....

There are many statements of Oleksandr Moroz both in defense of the councils and in support of the idea of the powers of the president being confined to representational powers, of the majority of executive functions being transferred to the premier (under the strict control and right of parliament to intervene in current affairs), and of Ukraine being converted thereby into a parliamentary republic without a clearly defined separation of authority among the branches of power. Oleksandr Moroz declared a year ago in an interview with the parliamentary newspaper GOLOS UKRAINY: "We should not be orienting ourselves toward presidential elections. People are today waiting for specific action. I am sure that were we to find a candidate for premier whom the Supreme Council supports today, I am convinced that the Supreme Council would support him in several months time, when the elections are held. Because it is truly necessary today to form a structure which reserves to itself the entire executive branch of power. It is impossible otherwise." Somewhat later he spoke even more candidly: "The president should represent Ukraine to ensure that it retain its image in the world community. The president should defend the portrait of Ukraine. As far as domestic matters are concerned, the president is not in a position to concentrate on executive functions, he should transfer them to the Cabinet of Ministers. It would have been better to have elected the president not by direct ballot but by a body, a congress of councils of all levels, say, which would have had the highest level of legitimacy. A congress of councils of all levels, not parliament, could have adopt amendments to the constitution also." He has expressed a similar proposition repeatedly also: "I support the provision of the draft law on revisions to the constitution which specifies that the country's prime minister should be the head of the executive and be personally responsible to the Supreme Council and the people for realization of the adopted laws, decrees, economic programs, and the social consequences." Another eloquent quotation: "We believe that the law on whose basis the president is elected and functions is operative. On the other hand, the system of power that has already taken shape on a legitimate basis essentially signifies a parliamentary form of government. At the local level this is, strictly speaking, the council form of power."

The succession of the statements quoted was not devoid of a certain intrinsic logic: Having limited the powers of the president and having strengthened the system of councils without the creation of a presidential vertical line, O. Moroz was asserting, as it were, the unimportance of the results of presidential elections as a kind of confidence rating in which he himself had come only third. The logicality and consistency of the actions merit particular commendation, but even the speaker has had to come to terms with objective reality, namely, with the fact that the presidential elections appreciably influenced the realization of the "All Power to the Councils" slogan. Consequently, if this was an attempt at revanche, it testifies both to the conservatism of Oleksandr Moroz as regards the fundamental problems of the building of the state and to a desire to avail himself of established cliches. Journalist circles joked at that time: "If Moroz is elected president, he will renounce this office in favor of that of speaker."

The Trump Card That Was Trumped

In championing the idea of a limitation of presidential authority on the eve of the presidential elections, Oleksandr Moroz made several serious tactical and strategic blunders. Specifically, he supported the candidacy of Vitaliy Masol, the former chairman of the Council of Ministers of the Ukrainian SSR, the sole "fall guy" dismissed from office, for the position of premier at the prompting of President Leonid Kravchuk.

But when not the subtle L. Kravchuk, who had a predilection for bureaucratic intrigues and delicate diplomacy and who was an opponent of any exacerbation, but the industrial manager L. Kuchma was elected president, it turned out that L. Kravchuk and O. Moroz and V. Masol had miscalculated. Having commenced a policy of radical economic reforms, L. Kuchma not only weakened and neutralized a potential adversary in the struggle for broad executive authority, having, in fact, compelled a switch to a pro-reform position, but also made Vitaliy Masol (O. Moroz's main trump card) a kind of "hostage," whom he could, if necessary, send into retirement and to whom he could "ascribe" unpopular measures, accusing him, for example, of deficiencies in the organization of the social security system.

"I Believe Because That's How It Is"

The following statements of Oleksandr Moroz, despite the categorical denials of a conflict (the press immediately reminded him of a quotation from his own speech at a Socialist Party of Ukraine congress, in which he mentioned L. Kuchma as being among those "who had brought Ukraine to the point of collapse"), objectively enshrined the image of the antireform Moroz-Masol tandem, simultaneously shaking his anticipated influence. While formally advocating the need for decisive reforms, O. Moroz continually reiterated "postulates of the faith" very far removed from his actual declarations.

One of the main ones was a categorical rejection of the idea of private ownership of the land: "We lost the Third World War, which was called the cold war. A fourth will begin in about 15-20 years. Although it will be fought without weapons, the world will be fighting first and foremost for fertile land, for the planet's population will have doubled. And whoever possesses this land will head civilization. How, then, can it be said that our Ukrainian black earth may be sold to someone or other and converted into a routine commodity, which would inevitably become an object of speculation?... No, as long as I am in office, not a single piece of land shall go to the foreigner." Might O. Moroz believe, possibly, that he is no longer in office on the grounds that a piece of land near the Bessarabian region already, in fact, belongs to Austrians from the Makulan firm?

The Clandestine Rayon Party Committee: Characters and Players

The weakening of O. Moroz's positions should not be exaggerated, though. He still has many influential supporters among the left. It is sufficient to recall just some of them. The communist Yevgeniy Marmazov, member of the Communist Party of Ukraine Central Committee, is characterized by such opinions: "In presenting our party's platform, we communist deputies are firmly for the priority of general state ownership in both policy and the economy....the main thing is to create the conditions for the normal operation of state-owned enterprises and collective farms."

Anatoliy Danilenko, chairman of the Commission for the Agro-Industrial Complex, Land Resources, and Social Development of the Countryside. A member of the Peasant Party. He believes that "....the kolkhozes will feed the country. Provided that the state pursues a prudent policy in regard to the countryside and the agro-industrial complex." Why the kolkhozes never did feed the country under socialism, Mr. Danilenko does not explain.

Oleksandr Tkachenko, first deputy chairman of the Supreme Council of Ukraine, whom many people consider a person with an appreciable influence on O. Moroz. His position is distinguished by the fact that he actually openly defends the idea of socialist latifundia: "We are accustomed to living jointly, as a village, not as detached farmsteads. It was not Lenin nor was it Stalin who shaped and proved the viability of the idea of cooperative farms but the landowner Engelgardt (we are talking about the son of the Engelgardt of whom T. Shevchenko was a serf) who showed that only with large cooperative farms was it possible to create and maintain a strong economy and to direct it...." Yes, Mr. Tkachenko's evolution from kolkhoz chairman to landowner was very logical.

One further prop of Oleksandr Moroz is Ivan Chizh, leader of the Socialist Party faction in the Supreme Council, who "supplanted" the Sumy socialist Vladimir Marchenko. His position is characterized by a number of opinions. Specifically, he speaks of the need "....for the adoption of a legislative act which regulates and defends the rights and liberties of the employee....we must eliminate the possibility of social exploitation, having adopted the corresponding law....to ensure that it be to a person's advantage to work at a state-owned enterprise...." Why it should be to a person's advantage to work at a state-owned enterprise, not simply earn money at an enterprise of any form of ownership, Mr. Chizh does not explain.

The well-known figure and leader of Ukraine's communists, Petr Simonenko, chairman of the Communists of Ukraine for Social Justice and the Power of the People faction. He candidly acknowledges: "I greatly respect Gennadiy Zyuganov, first secretary of the Communist Party of Russia, ...I have a warm regard for Stanislav Gurenko." As far as the ideal politician is concerned: "If we are speaking of a particular political figure, Vladimir Ilich Lenin, undoubtedly." P. Simonenko does not specify what precisely he likes about Ilich: his predilection for coups d'etat or the "Decree on Land."

It would seem that the group of advisers of approximately 20 persons formed by O. Moroz is beginning to win against the administration in the struggle for influence on parliament. Individual indoctrination of the corps of deputies is, truly, an important matter, and the speaker could, moving in this direction, encompass the majority of his goals.

The Law on Power in the Form of a Sword of Damocles

Appreciable differences in the positions of Leonid Kuchma and Oleksandr Moroz emerged as of the first session of the Constitutional Commission. The first paid particular attention in his opening remarks to the intrinsic contradictions of the current basic law of Ukraine, christening it a "legal labyrinth," from which everyone is trying to find the exit that suits him. The latter, on the other hand, declared that no matter who is criticizing the constitution, it exists and should be respected.

In the event of the swift surprise success of Leonid Kuchma's draft, he would in practice be the winner of a kind of competition for command authority, and it would not be difficult to assume an appreciable limitation of the influence of the forces of the left, O. Moroz included, on the progress of the reforms. But as the administration has allowed itself to be pulled into "trench warfare" around the draft Law on Power after it failed to get it through "with a rush," O. Moroz has increasingly been gaining momentum, skillfully manipulating the vote and steering proceedings toward the virtual emasculation of the law. The speaker began with his efforts to duplicate the activity of the administration: Campaigns of support by the chairmen of the local councils for the president's draft Law on Power had only to begin (on 15 December 1994 some 28 chairmen of city councils signed a statement in support of this bill) for O. Moroz to immediately hold his own meeting with the chairmen of the councils.

Another essential point of the draft Law on Power proposed by President L. Kuchma with which parliamentary chief O. Moroz disagrees is the fact that it is proposed that the local councils retain merely the functions of local government bodies and that the president of Ukraine could delegate to the chairmen of the councils and the executive committees that they head, as recommended by the Cabinet of Ministers of Ukraine, certain powers of the state executive authority. The chairmen of the councils and the executive committees that they head should, according to this draft, be subordinate to the Cabinet of Ministers and accountable to and under the control of the president of Ukraine. Similar subordination and accountability is proposed for the executive authorities along the vertical oblast—city (rayon)—village (township) line. The proposed revisions and addenda to the draft specify the right of the president of Ukraine to cancel the directives of the chairmen of the councils and the decisions of the executive committees that they head which are contrary to the Constitution and the laws of Ukraine and other legislative instruments.

Such proposals encountered sharp resistance on the part of the speaker and his supporters. Oleksandr Steshenko, chairman of the Standing Commission for Constitutional Development, who is famous for his charges of autocratism leveled at the very institution of the presidency, declared that "any attempt to increase or diminish the extent of the state authority of the local councils and executive committees could acquire legality only following the corresponding approval by the legislature, such matters should not be decided at the level of the state executive authorities." It is not hard to understand that behind Mr. Steshenko's efforts is not so much a desire to defend the rights of the councils as a simple reluctance to have an efficiently functioning executive in the state.

The existence of a parallelism of the power verticals—legislative and executive—would altogether seem somehow abnormal in a state. In the event of "passage of a legislative procedure" with regard to "attempts to increase or diminish the extent of the state authority of the local councils," the left would obtain a unique opportunity to delay the adoption of any decision or to emasculate it, as per the model of how it did this with other parts of the president's draft Law on Power.

New Face of the Old Communist

Of course, the dissolution of the present parliament would not be to O. Moroz's benefit, although in agreeing to become chairman of the Socialist Party he was considering the possibility of the scheduling of early elections of the Supreme Council in a year or 18 months. But now, at least, the hopes of some of the left that in the event of early elections they would secure even more deputies' seats than now on the wave of public discontent with the first, most arduous, stage of the reforms (they are letting slip no opportunity to speculate on the difficulties of the transitional period), and that Oleksandr Moroz, as leader of the Socialist Party, would secure an appreciable limitation of the powers of the president and a broadening of the powers of the speaker and a revival of the system of soviets do not appear serious.

Early presidential elections are another matter. This idea undoubtedly impresses O. Moroz. Were he to succeed in preserving the system of councils if only in some form and the councils could organize and head powerful protest actions against the reforms being pursued by President L. Kuchma, he would have an opportunity to secure early presidential elections and if not win the elections himself, then, at least, compromise L. Kuchma and the institution of president of Ukraine as such and the policy of market reforms in general. That such a development of events is not abstract speculation, incidentally, is attested by a letter of O. Moroz which was read out at the plenary session of the Supreme Council on 30 November 1994. In his letter the head of parliament declared that a legislative base of the reforms had not been created through the fault of the Cabinet of Ministers, which had still not submitted 80 bills for consideration by the Supreme Council. Understandably, although he was talking about the government, this was an aspersion cast at Leonid Kuchma also inasmuch as the latter is endeavoring to direct the cabinet. Such a version of the development of events is unlikely also, for that matter, for the speaker would hardly be able for long to simultaneously impede the reforms and criticize the president for their slow implementation. And parliament also, which is increasingly "scattering" into the left and supporters of the reforms, is being controlled increasingly less by the leader of the socialists.

If we think about it, it is not that bad for the president in his struggle against parliament for authority that the Supreme Council is personified by O. Moroz. To the above-mentioned traits—inability and lack of skills of the team game, in which he differs so sharply from the president—it may further be added that it is characteristic of O. Moroz generally not to stick to any principles and that, instead, it is customary for him to be a demagogue saying anything at all, depending on the need of the current political moment. It is easy for him to declare a "criminal" anyone who advocates privatization of the land and, simultaneously, to declare his support for the president's program, of which land privatization is the cornerstone. It is not so much a question of political sympathies as of operating style: Moroz "surrendered" the communists in the business of the rehabilitation of the Communist Party of Ukraine, "surrendered" the directors, having supported the professional status of the people's deputy, "surrendered" L. Kuchma, having pushed through parliament a suspension of privatization and leveling at him the charge sometimes of a delay in the reforms, sometimes of an "attempt to take more power at the expense of others," and, finally, he "surrendered" all the left together, having pulled through the president's draft Law on Power in its first reading. One observes no flexibility of a politician in such actions, one observes merely the mode of life (more precisely, survival) of a chameleon politician.

These attributes of the speaker have been manifested fully in his activity in the foreign policy sphere also. Specifically, his public speeches on "international" topics, which are characterized by an amusing combination of tautological empty phrases and Kozma Prutkov aphorisms. The speaker's unusual colorful thinking is attested by, for example, the following: "The wider international security structures are, the more dependable they are." Or "Anyone who does not regret the disintegration of the USSR has no heart. Whoever today wants to revive the Union has no brains.... The three years' experience of the sovereign development of the countries of the CIS is convincing testimony that independence and self-sufficiency must not and cannot impede the development of all-around economic, humanitarian, and political relations" (from a speech at a ceremonial meeting devoted to the third anniversary of the proclamation of the independence of Ukraine). In the foreign policy sphere Oleksandr Moroz has repeatedly demonstrated also several phenomena new for Ukrainian policy such as a propensity for utopia and a kind of political Manilovism. Thus during a meeting between the speaker and Jiang Zemin, head of the PRC, Oleksandr Moroz expressed the idea of a Euro-Asian transcontinental motor highway, which could take the route of the historically famous Silk Road.

Consequently, we have also a personality who, depending on the needs of the political moment, upholds opposite propositions: a socialist who is "for the market" and a "marketeer" who is against privatization in general and against privatization of the land in particular; in some declarations, the best friend of L. Kuchma, in others, he calls the present president "one of those who have brought Ukraine to the point of collapse"; a singer of the "International" impeding the rehabilitation of the Communist Party of Ukraine. Both images—Jekyll-Moroz and Hyde-Moroz—are developing, and for this reason the speaker is seriously threatened by a split personality.

Democratic Deputies Want Ukraine To Join NATO

LD2505091895 Kiev UNIAN in Ukrainian
1330 GMT 24 May 95

[FBIS Translated Text] Kiev — In a debate on Ukraine's national security concept today, members of the Rukh [People's Movement of Ukraine] parliament faction — Ivan Zayets, the deputy chairman of the Supreme Council Commission on Foreign Affairs and Ties with CIS, and Borys Kozhyn, the former commander of the Ukrainian Navy, stressed that Ukraine's status as a nonaligned state was no longer topical. They expressed support for Ukraine's full membership of NATO. In particular, Zayets stressed that Ukraine's accession to the Tashkent Treaty will lead to the loss of Ukraine's independence.

Volodymyr Illyushin, a member of the Communist faction, said he was in favor of creating a Ukrainian-Russian state that, in his view, will "be the savior of Ukraine."

Oleh Chornousenko, (from the socialist faction) the deputy chairman of the Supreme Council Commission for Issues of Defense and State Security, said that "Ukraine's neutrality, as set out in the Declaration of State Sovereignty, had played a positive role at a certain stage of Ukraine's development, but the position of an ostrich that hides its head in the sand is probably misplaced."

Chornousenko is of the opinion that experts should study in detail Ukraine's status and find a "common approach" because "at the moment nobody can answer this question unambiguously [no closing quotation mark as received].

Crimean Parliament Opposes Control of State Property

LD2405220795 Kiev UNIAR in Ukrainian
1825 GMT 24 May 95

[FBIS Translated Excerpt] Simferopol — [passage omitted] The Supreme Council of Crimea also considered the resolution of the Cabinet of Ministers of Ukraine dated 5 May No. 316-317, which envisages that over 700 enterprises of the autonomous republic — including over 100 elite sanatoria — will be given the status of common state property and thus will be controlled by the State Property Fund, the Ministry of Economy, and the Ministry of Statistics of Ukraine. Oleksandr Frolov, head of the Supreme Council of Crimea, described those resolutions as a continuation of Kiev's policy toward the total ruination of the Republic of Crimea's statehood.

The Crimean deputies adopted a resolution in which they deemed illegal and contradictory to the Constitution of Ukraine and the law of Ukraine "on property," the practice of adopting decisions on delimitation of state power and property in Crimea by bodies of state executive power of Ukraine unilaterally. In that connection it was proposed that the Cabinet of Ministers of Ukraine should suspend the effect of their resolutions.

In order to regulate the contradictions in delimitation of property, both parliaments should set up commissions for negotiations and consultations with bodies of state power for final solution of the issue of property in Crimea.

Russians in Crimea Unite Under 'Two-Fold Pressure'

MM2405120895 Moscow KRASNAYA ZVEZDA in Russian 23 May 95 p 3

[Report by Vladimir Pasyakin: "Russians in Crimea Also Join Forces. Nationalities Question Becomes Crucial on Peninsula"]

[FBIS Translated Text] Never before on such a wide scale as this year has the peninsula marked the day that the Crimean Tatars were deported. Prayers and rallies were held everywhere, including the republic's major cities of Simferopol and Sevastopol. Why? Is it coincidence? Not at all. More and more Crimean Tatars are appearing in the Republic of Crimea. The Ukrainian authorities approve this process, since the Crimean Tatars support the Ukrainian authorities' policy of isolation from the CIS countries and estrangement from Russia, the discriminatory measures taken against the Russian-speaking population, and Ukraine's stance on the Black Sea Fleet.

To date over 250,000 Crimean Tatars have moved to Crimea. Some 4,000 have arrived in Sevastopol alone, which is now closed to Russian citizens. They are mainly middle-aged people and also young, healthy, strapping boys who have rapidly "put down roots" in Crimea. They vigorously advocate Islam and are backed and provided with generous funding by the Islamic world, which is of course pursuing its own ends.

In the opinion of Crimean Supreme Council Deputy Nariman Abdureshitov, secretary of a kurultay faction, Ukraine is still the only country that is providing assistance with the program to facilitate the Crimean Tatars' return.

"In 1994 we were allocated 11.5 trillion karbovantsy," Abdureshitov said, "but this year only 1 trillion are scheduled. But the members of our faction, including Crimean Vice Premier Ilmi Umerov, have been able to 'extract' an extra 2.5 trillion karbovantsy from Kiev.

And countries in the wider world are prepared to help us. Switzerland, for instance...."

The question of a national autonomous formation for the Crimean Tatars in the Crimea is already being raised in earnest. But those who want this realize that now is not the time for the issue to be resolved in practice. Forces are being built up and the corresponding base is being prepared. More and more new structures are appearing — various societies, foundations — while a union of Crimean Tatar officers and fighting militias have even been set up, which represent an organized military force. In a word, the process is under way and, in my view, it poses a real threat to the Crimea's Russian population.

Russians living here are now coming under two-fold pressure — from nationalist Crimean Tatars and from official Kiev. Given the lack of real aid from Russia they are also being compelled to join forces. On the initiative of the Russian Party of the Crimea, the Crimea's Russian community, the Union of Russians of the Crimea, and the "Chest imeyu" Officers Union a new republic public organization has been set up in the peninsula — the Congress of Russian Communities of the Crimea. It aims to develop and strengthen Russian national traditions in the Crimea and take an active part in sociopolitical, socioeconomic, and cultural life. At the same time it is quite obvious that the creation of the Congress of Russian Communities should put a damper on those politicians and public figures who are prepared to exploit the Crimean Tatars' 51-year old tragedy and fuel a new seat of tension in the Crimea.

Economic Issues

Drug Business: Growing Sector of Economy

*WS2405115295 Kiev INTELNEWS in English
2211 GMT 23 May 95*

["Special to Intelnews" by Ihor Zhyhyr]

[FBIS Transcribed Text] Perestroika has not only revealed the problem of drug addiction, thoroughly ignored in the former Soviet Union, but also made it more acute. All the attempts to cope with the permanently worsening situation, using exclusively prohibitive and forcible measures, have not brought any good results so far. At the same time, the attitude of the state and society toward drug addiction appears to have changed. The problem is no longer considered to be a criminal problem, but rather a social, psychological and medical one.

To lead the fight against drugs, all state institutions directly or indirectly dealing with the problem were united under one structure. In 1993, the Drug Control National Coordinating Council was created to unite efforts of the Internal Affairs Ministry, Health Ministry, Educational Ministry and other ministries and institutions. The council is chaired by acting Prime Minister Yevhen Marchuk. This structure aims to implement the state anti-drug program that was adopted in 1993 and coordinate the work of institutions that constitute the council. Petro Mykhailiuk, the council's deputy chairman, believes coordination of efforts of all interested state institutions with the executive power will make the anti-drug fight efficient. The council is also called to set cooperation with international organizations dealing with drug problem. Namely, the United Nations Organization allocated US$565,000 to Ukraine for an anti-drug program.

In February 1995 three new laws were adopted to prevent drug addiction illegal trafficking and implement measures to control and rehabilitate drug addicts. Rehabilitation of drug addicts is a critical problem for society. Although the official figures register only 50,000 addicts in Ukraine, some experts think the real figure should reach half a million. About 80-85 percent of them are young people under 30 years old, and 50 percent of them are teenagers. Many of those found guilty of producing, transporting and selling drugs get prison terms of three to 10 years. Being released from prison, they, as a rule, do not have money to live on. Nor do they have a job or a family. Many therefore return to their previous surroundings and resume their old drug habits.

Many Ukrainian specialists say they cannot name a couple of dozen of those who were entirely cured from addiction. Ukraine still lacks a system of addict rehabilitation, except police clinics, where they use forcible and ineffective treatment. Mykhailiuk admitted that in the current situation, drug addicts who have decided to return to normal life have only themselves upon whom to rely.

The demand for drugs and usage of them are social and psychological problems, while their sale is a criminal problem. Nobody doubts today that the drug business is a well-organized structure. Criminal groups dealing with drugs have their clear areas of specialization: some groups deal with growing drugs, others transport and/or process it into ready products, others deliver drugs to places of their selling and other groups sell them. A person who takes drugs for three or five years needs two glasses of ground dried poppies a day (US$10 on the black market). Taking into account the official figures for drug addicts number, the daily turnover at the black market reaches US$500,000. According to experts, however, the drug business brings in US$15 million a year.

The production and distribution of drugs in Ukraine are controlled by criminal groups, mostly formed by people from the Caucasus and by gypsies who have good relations in foreign and CIS countries. The police are also very worried about the involvement of teenagers in the business, many of whom find it diffucult to obtain high-paying or stable jobs. It seems to be a very attractive opportunity for youngsters to earn quick and easy money by selling drugs. And they are not much afraid of being caught and imprisoned. As for the police, they have many difficulties in fighting against well-organized drug businesses. The drug business is well-equipped, while the police face a slew of problems: poor equipment, lack of drug experts, lack of financing and transportation and fuel and means of communication and specially trained dogs.

Nevertheless, the fight against drugs is being waged. The Internal Affairs Ministry Anti-drug Department representatives said the Ukrainian special anti-drug police units were more successful in their activities than similar units in other CIS countries. According to Anatoliy Udod, chief of the department, 30,000 drug-related crimes were investigated and 38 tons of drugs were confiscated from criminal groups last year. This year, 12,000 drug-related crimes were committed and 12 tons of drugs confiscated. "The main task of our department is to fight against the supply of drugs, while the demand for them is the problem and disease of the entire society," Udod said. "We need well-trained personnel and modern equipment. In addition, we need to set direct ties with law enforcement bodies in the West. As for advisers, we have plenty of them and our servicemen can and will work effectively, even without help," Udod added. The most urgent priority for anti-drug police is the establishment of relations with similar police units in neighboring countries.

Currently, Ukraine is not only a drug producing and consuming state, but also a transit country. Ukrainian border guards often break attempts of drug dealers from Turkey, Afghanistan and Pakistan to ship large quantities of drugs through Ukraine. Until recently, drugs were smuggled to Europe via the Balkan states, while now they are smuggled via Ukraine. As for Ukraine itself, hemp grows wild in its eastern and southern regions, in western and northern regions grow poppies. Central part produces both hemp and poppies. Some farmers have changed their crops because they failed to raise money growing tomatoes and potatoes. New gorgeous houses and garages sheltering foreign cars have been built near poppy and hemp fields. If the anti-drug police does not receive financial aid, Ukraine is most likely to turn into a country in which the production and distribution of drugs becomes the only efficient industry in its entire economy.

IMF 'Recognizes' Need for Additional Emission

WS2505085795 Lvov INFOBANK in English
0708 GMT 25 May 95

[From the "News Service" feature]

[FBIS Transcribed Text] In his comments to Ukrainian National Bank Chairman's Viktor Yushchenko statement on possible 14 trillion karbovantsi additional money emission, Graham Justice, senior resident representative of the IMF in Ukraine has informed the correspondent of INFOBANK that the IMF has recognized the necessity of additional emission. According to him, the memorandum of understanding between Ukraine and the IMF has the clause on coordinating the volume of emissions with the IMF, providing there is a lack of foreign financial aid. It is exactly the case now and this is why the National Bank chairman explaining the need for additional emission refers to the lack of external proceeds in this quarter. According to G. Justice, funding during the second quarter was insufficient to support payment account of Ukraine for foreign trade. Mr. Justice also stressed that by the end of the quarter the situation with foreign financial aid may change. Even if funding arrives at the end of the quarter it may be used during the following three months.

Collective Firms 'Only Form' of Non-State Property

WS2505084495 Lvov INFOBANK in English
0708 GMT 25 May 95

[From the "News Service" feature]

[FBIS Transcribed Text] According to the Ukrainian Ministry of Statistics, 37.9 percent of the national industrial output was produced by non-state enterprises in the first quarter of 1995. The CITY TELERATE news agency believes that actual contribution of the non-state sector is even more significant, as the official data does not cover the output of small businesses and cooperative ventures. However, the agency expressed only moderate optimism with regard to the apparently high privatization rate. First, collective employee ownership remains the only form of a non-state property in Ukrainian industry. The management and the system of compensation are very much the same as at state-owned enterprises. So far only one private industrial enterprise was registered in Ukraine. Second, the share of the non-state sector in the national industrial output increased by mere 6.6 percent during the year. Third, the production decline in the non-state sector (13.3%) is higher than in the state sector (11.1%) if compared with the first quarter of 1994. The share of the collectively-owned enterprises is bigger in the consumer goods and food processing sector, chemical and petrochemical industry, as well as in the manufacturing of construction materials (71.3 to 52.7%).

Sources in the State Property Fund of Ukraine said that 1,250 businesses were privatized in Ukraine during the first quarter of 1995, most of them retail outlets, consumer services, cafes, restaurants, and unfinished construction facilities.

National Bank's Deputy Head Outlines Policy

LD2405204295 Kiev UNIAN in Ukrainian
1515 GMT 24 May 95

[FBIS Translated Text] Kiev — During his speech at the first international conference "Investment prospects in Ukraine" in London, Volodymyr Stelmakh, the deputy chairman of the board of the National Bank of Ukraine, gave assurances of the firm readiness of the National Bank of Ukraine to reduce the level of the discount rate. UNIAN has found out about this from the sources close to the National Bank of Ukraine.

According to Stelmakh, it is planned in that connection to ensure monthly revision of the official interest rate, fixed by the National Bank with account of inflationary trends over the accounting month and the following month. Stelmakh believes that this measure is aimed at maintaining the interest rate at the minimum positive level.

The deputy chairman of the board of the National Bank of Ukraine said that the bank plans to stop issuing credits for the economy on the conditions of setting favorable interest rates and providing subsidies at the cost of the profit of the National Bank.

As for changes in the practice of monetary and credit regulation, the National Bank of Ukraine plans to fix the top limit for credit issues by the government (the quota of government's credits will be set by the National Bank in proportion to the Gross Domestic Product at the level of 4 percent) and to introduce new ways to regulate these processes at the monetary and credit level. In the latter direction it is planned to give credits to the government on the paid basis; to finance state expenditure through receiving credits from commercial banks; to give traditional refunding credits to commercial banks in return for the pledge of securities and promissory notes that are backed by goods; to introduce favorable taxation for banks with the minimum of 25 percent of long-term credit investment and so on.

According to Stelmakh, it is envisaged to launch new mechanisms: To continue to sell state internal bonds, to issue savings certificates of the National Bank with nomination in U.S. dollars, deposit certificates in karbovantsi, and so on.

In order to solve the crisis of mutual payments it is proposed to use wider payment by letters of credit, checks, promissory notes, or advance payments.

The National Bank of Ukraine also plans to implement this year a complex of measures for increasing gold and hard currency reserves up to $1.5 billion. In Stelmakh's opinion decentralization and liberalization of the hard currency market must become a certain guarantee of improving the objectiveness of the mechanism of establishing exchange rates. In order to defend the national currency there will also be a limit set on the external debt. At the same time the control over its maintenance will be improved. In order to increase the number of hard currency credits, insurance of hard currency credits will be introduced in Ukraine. For that it is planned to create a strong insurance company with participation of state capital.

Stelmakh proposed that an international financial center should be set up in the capital of Ukraine and that its participants should have a significant preferential treatment on the part of our state.

Belarus

Yeltsin, Lukashenka To Remove Customs Border

*LD2405210695 Moscow INTERFAX in English
1719 GMT 24 May 95*

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, and edited by Vladimir Shishlin]

[FBIS Transcribed Text] At the CIS summit in Minsk on May 26, Russian and Belarusian presidents will pass a decision on removal of customs borders between two states, Russia's Vice Prime Minister Aleksey Bolshakov who is in charge of relations with CIS countries, reported to Interfax.

In his words, preparation of all appropriate normative acts has been concluded.

Bolshakov reported that at present "an intensive work on appropriate documents on unity in managing Kazakhstan's and Russia's customs services which will assist in creating a customs union between Russia, Belarus, and Kazakhstan is underway."

Bolshakov underlined that the agreement on the unity in managing Kazakh and Russian frontier services is on the stage of signing, an active work on coordinating normative acts to regulate foreign economic activity is underway. In particular, in the near term Kazakhstan should present its new customs code to Russia which has been brought in line with the Russian legislation.

According to Bolshakov, the sitting of heads of CIS states and governments in Minsk will adopt a decision on creating an inter-state currency commission of the Commonwealth and discuss several issues related to collective security. As he said, the structure of the currency committee will be confirmed on April 21 at the sitting of the presidium of the Inter-State Economic Committee. "There are no disputable moments which could disrupt signing of this agreement," Bolshakov noted.

Military Delegation Leaves for Ukraine

*WS2505085295 Minsk Radio Minsk Network
in Belarusian 0300 GMT 25 May 95*

[FBIS Translated Text] A Belarusian military delegation headed by Colonel General and Defense Minister Anatol Kastenka will observe the Peace Shield-95 — joint U.S.-Ukrainian military exercises — today. These exercises were launched at the Yavorivsky training ground of the Transcarpathian military district. Some 400 Ukrainian and 300 U.S. servicemen will work out tactics for localization-destruction cooperation in potential military conflicts. These military exercises are conducted within the Partnership for Peace Program.

Election Commission Makes Voting Results Public

*WS2405133995 Minsk BELAPAN in English
1300 GMT 24 May 95*

[FBIS Transcribed Text] The Central Commission for Elections and National Referendums has informed BELAPAN of the official and final results of the first round of parliamentary elections and the national referendum. The voting register included 7.4458 million people. 4.8323 million people were given ballot papers. 4.8211 people (64.7 percent of the voters registered) took part in the voting on May 14. The greatest activity was displayed by the residents of Minsk and Brest regions: 69.7 and 69.2 percent of citizens put their slips in ballot boxes there, respectively. In the Vitebsk region 68.5 percent of the electors took part in the voting, in the Gomel region — 67 percent, in Grodno region — 65.3 percent, in Mogilev region — 64.3 percent; in the city of Minsk — 52.4 percent. To hold elections, 260 constituencies with 6,718 polling stations were set up throughout the country where 2,348 candidates (over 9 candidates in each constituency on average) were balloted.

18 MP's were elected in the first round. Among them are four workers of the Presidential Administration: Vasil Sakovich, chairman of the State Control Chamber; Uladzimir Hancharyk, chairman of the Federation of Trade Unions of Belarus; Ivan Karatchenya, CIS executive secretary, and eight heads of state and collective farms. Among those elected are five members of the Agrarian Party and three members of the Party of Communists. In 26 constituencies less than half the voters registered took part in the elections, and the results of the voting were declared there null and void. Elections in these constituencies will be repeated, most likely, this autumn.

The second round of elections is to take place on May 28. It will be held with the participation of well-known politicians such as Zyanon Paznyak, Stanislaw Shushkevich, Henadz Karpenka, Vyacheslaw Kebich, and Uladzimir Karyahin.

All the four questions of the referendum received a majority of "for" votes. According to the data from the Central Commission, 64.8 percent of the voters registered took part in it. The first question — on the granting of the Russian language status equal with Belarusian — was answered in the affirmative by 83.3 percent of those who took part in the voting, 12.7 percent were against. The second question — on the change of the state symbols — was answered in the affirmative by 75.1 percent, 20.5 percent against. The third question — on the support of the president's actions aimed at integration with Russia — was answered in the affirmative by 83.3 percent, 12.5 percent against. The fourth question — on the president's right to dissolve the parliament (a question of a consultative character) — was answered in the affirmative by 77.7 percent, 17.8 percent against.

As Alyaksandar Abramovich, chairman of the Central Commission, declared in an interview to a BELAPAN correspondent, the first round of the elections and the national referendum were held in a calm and organized manner with a high degree of the observance of the law though some irregularities took place.

Supreme Soviet Presidium Appeals for 2d Round Turnout

WS2405133195 Minsk Radio Minsk Network in Belarusian 1100 GMT 24 May 95

[FBIS Translated Text] The Presidium of the Belarusian Supreme Soviet has appealed to the Republic's electorate to actively participate in the second round of voting on 28 May 1995.

This will allow not only your destiny and that of your children, as well as the prospects for the development of Belarus, to be resolved, the appeal states, but also that money — of which our teachers, physicians, students, invalids, and pensioners are in such dire need — can be saved. Observance and protection of people's rights and freedoms, as well as the stability of our society, will depend on none other than you, esteemed electorate.

The 12th Supreme Soviet has practically suspended its legislative activities. If elections for a new Supreme Soviet are not held on 28 May, however, the current Supreme Soviet will have to resume its activities, in accordance with Article 91 of the Belarusian Constitution. This will somewhat complicate both legislative activities and the resolution of other state issues. Therefore, the Presidium of the Belarusian Supreme Soviet — the appeal states — hopes that each and every person will have a deep sense of their civic duty and choose a proper candidate who will help form an able- bodied 13th Supreme Soviet.

Moldova

Partnership For Peace With NATO To Be Signed

LD2405205495 Moscow Russian Public Television First Channel Network in Russian 1700 GMT 24 May 95

[FBIS Translated Text] Moldova's National Security Council decided at its meeting in Chisinau today to sign a program for cooperation between Moldova and NATO within the general framework of the Partnership for Peace program.

Minister Optimistic for World Bank Credit Line

LD2505091995 Moscow INTERFAX in English 1948 GMT 25 May 95

[FBIS Transcribed Text] CHISINAU, May 24 (FIA-Interfax) — The World Bank's board of directors will consider the possibility by the end of June of opening a credit line to Moldova worth a total of $45 million for developing the private sector, the energy industry and agriculture, Moldovan Finance Minister Valeriu Kitsan told a news conference in Chisinau today.

He said the consent in principal from the World Bank on opening the credit line, under the guarantees from the Moldovan government, had been confirmed at the talks with the World Bank's delegation which came to Moldova last evening. The terms for opening the credit line will remain unknown until the World Bank's directors announce their final decision.

Well-informed sources in the Moldovan government told Interfax's Financial Information Agency that in line with a preliminary agreement, two commercial banks, the Interprinsbank and the Mobiasbank would be giving loans to Moldovan enterprises under concrete projects at an average annual interest rate of 12-15 percent. The banks were selected by experts of the KPMG international auditing company at the end of 1994 through the beginning of 1995.

The National Bank of Moldova said the World Bank had thus far granted ex-Soviet republics credits worth $146 million, including an STF-credit of $60 million in October 1993 and a Stand-By credit of $60 million in December 1994.

Head of the World Bank's mission, Hun Ewans, told the same news conference that the World Bank had in essence praised the implementation of the economic reforms in Moldova, in particular, bringing the inflation rate down from 10 percent in April 1994 to 0.6 percent in April 1995. In line with the memorandum between the IMF and the Moldovan government the inflation rate in Moldova in 1995 must not exceed 10 percent, comparing to 105 percent in 1994 and 2,100 percent in 1993. However, Ewans noted the decline in industrial output in Moldova, which had fallen by 25.1 percent in January-April, compared to the end of 1994, and the decline in the agricultural output which had decreased by 8 percent.

Reforms Discussed With World Bank Officials

AU2405095795 Chisinau INFOTAG in English 1845 GMT 23 May 95

[FBIS Transcribed Text] Chisinau, INFOTAG, 23/5/1995 — The delegation of the World Bank Executive

Directors, on a working visit to Moldova, were received by President Mircea Snegur today. Also on Tuesday [23 May], the guests had a meeting with Prime Minister Andrei Sangheli.

The two leaders informed the World Bank officials on the economic reforms being implemented in the republic, having expressed gratitude for the World Bank's support in that. Both Snegur and Sangheli believe that the relationship between the republic and the World Bank is at such a stage when it becomes possible to finance certain projects of re-structuring concrete sectors of the national economy, and concrete enterprises.

Snegur Rejects Peacekeeper Status for Russian Army

LD2405193695 Moscow ITAR-TASS in English 1903 GMT 24 May 95

[By Valeriy Demidetskiy]

[FBIS Transcribed Text] CHISINAU, May 24 (Itar-Tass) — Moldova's President Mircea Snegur on Wednesday [24 May] called inadmissible the proposal of Russian 14th army commander Aleksandr Lebed to grant his troops, stationed in the Moldova's self-style Dniester region, a status of peacekeepers.

Speaking to visiting OSCE envoy Istvan Gyarmati, Snegur reiterated Moldova's determination to insist on 14th army's complete pullout, and dismissed as groundless Lebed's accusations that Moldova aspires to acquire the army's huge arsenals.

Snegur said that he is going to discuss the 14th Russian army with President Boris Yeltsin at their meeting late in June.

The President also accused Dniester leaders of their unwillingness to achieve a compromise, adding that he plans to submit to Tiraspol a draft plan for granting the province a special status within Moldavia in conformity with OSCE recommendations.

Lebed Details Views on Politics, Military

95UM0442A Moscow LITERATURNAYA GAZETA in Russian No. 20, 17 May 95 p 13

[Interview with General Aleksandr Lebed, commander of the 14th Russian Army, by LITERATURNAYA GAZETA special correspondent Yefim Bershin; in Tiraspol; date not given: "I Was Not Just Brought Into Politics, I Was Driven In"]

[FBIS Translated Text] Events and frequent rumors surround the name of Aleksandr Lebed, commander of the 14th Russian Army, swirling with such kaleidoscopic rapidity that one cannot even follow their progress. Let us say you sit and converse with him for about an hour and a half in his now world famous office. During this period, information on him will be broadcast about five times over the radio. And every time it will be a "hot" item not five minutes old. Over the time it takes to finish a cup of coffee, reports will have him married three times, twice retired, then reactivated an equal number of times. And the most competent sources are cited on each occasion.

There is little pleasant in all this, of course. But popularity is expensive, just a bit less expensive than sovereignty. Aleksandr Ivanovich seems to endure it—a slight wry contortion on his face.

"Are you going to try to worm your way into my confidence?"—he asks me.

"No."

And so we decide not to pry into matters of the soul, not to seek the "zesty tidbits," but to discuss business.

[Bershin] Aleksandr Ivanovich, how do view Pavel Grachev's flattering proposal to go into honorary exile in the post of deputy commander of the Trans-Baykal Military District?

[Lebed] Let us say that I refuse, and have no intention of going anywhere. But if the minister executes a directive, I will simply resign.

[Bershin] Will you not be sorry to leave the Army?

[Lebed] Extremely sorry. I have served 26 years in the Army. And I will be so bold as to assure you that I served not out of fear, but out of conscience. I am no good at grovelling. I have never been afraid of my superiors, have never ingratiated myself with anyone, and have no intention of doing so now. I have served with pleasure, and have commanded everything it was possible to command—from squad to army.

[Bershin] Well, let us discuss the 14th Army. To whom are you leaving it?

[Lebed] First of all, I am not yet leaving it. But that would be very sad. Just try to imagine the way a person would feel who created something literally from fragments. After all, this was essentially a collapsed army, forgotten by everyone and needed by no one. For just short of three years I worked on putting it together. And I succeeded. No matter how absurd it may sound today, people here have finally begun to serve gladly—all the necessary conditions have been put into place.

[Bershin] Is the withdrawal of the Army, about which so much has been said recently, a realistic prospect when you take into account the fact that local residents comprise its overwhelming majority?

[Lebed] It is not realistic. I have been talking about this for three years. The political, economic, and technical premises would first have to be established in order to do this. The main political problem is the fact that the Army is located in territory of the unrecognized Dniester Region. Legally, this is Moldavia. But neither the laws nor the Constitution of Moldavia are functional here. In other words, it is an exclusion zone. Additionally, withdrawal of the Army, which the Bolsheviks have talked about so long, may be completely disrupted for one simple reason—Tiraspol women blocking the use of platforms.

[Bershin] Or sitting on the railroad tracks, as has already happened.

[Lebed] Exactly. Therefore, some sort of compromise must initially be reached, some kind of formula for resolving this issue. Right now I personally do not know who would pay for the withdrawal or where this Army would be sent. Over the three years I have commanded this Army, I have never been able to find out the name of the population center destined to be its future deployment area.

[Bershin] Are you certain that withdrawal of the Army is advantageous to someone?

[Lebed] I am certain of precisely the opposite. Withdrawal of the Army is disadvantageous to absolutely everyone. We have a balance of forces here today. A senseless violation of this balance would complete an arc of fire—from Yugoslavia to Tajikistan. It would be one continuous arc of instability. Whereas right now there is a separation. The region is such that every country here has numerous territorial claims against its neighbors. Two million ethnic Hungarians are living in what is presently Romanian Transylvania. That same Romania includes Dobrudzha—claimed by the Bulgarians. Ukrainian territory includes former Romanian Bukovina and Southern Bessarabia. And so on. There are a great many reciprocal, secretly smoldering, territorial claims. And if you take various periods of time out of historical context, you can easily prove the righteousness of each. You can prove that the Dniester Region belongs to Russia, to Ukraine, or to Moldavia.

[Bershin] And if you dig deeper still, you can associate it with the Greeks, and even with the Khazars.

[Lebed] Most importantly, everything can be proved in documents. We must therefore proceed from today's reality, taking into account the desires of the people residing in the territories in question.

[Bershin] In 1992, when I returned from the Dniester war, I wrote a documentary narrative about this war. In one passage I tell a Swiss friend: "....we must quickly get accustomed to things being completely turned around. You love our poets and are suspicious of our military. Right now, I feel exactly the opposite. Because it is our poets who are stirring up war, and the military is extinguishing it." I wrote this in the heat of the moment, of course, but under the direct influence of our actions in the Dniester Region during that period. And these were not poets in the literal sense, but rather that portion of the nationalistically disposed liberal-arts intelligentsia that waged a shameless nationalistic campaign of propaganda in the press over the course of several years, which led to a great extent to the war.

[Lebed] Unfortunately, that is so. It is the intelligentsia and those who are nationalistically oriented who are to blame. Would that God rid us of left and right radicals alike. Extremes eventually meet. I completed studies at two institutions of higher education, and would therefore seem to be able to claim status as an intellectual. But I also know that no such institution of higher education ever taught us ethics or esthetics. Acquiring some variety of professional knowledge, we have remained distant from overall human values in the social sphere. This is our common misfortune.

[Bershin] Are there not perhaps some historical preconditions for all these conflicts?

[Lebed] Russia was, is, and for a long time to come shall remain an empire. We cannot escape this. We must therefore treat ethnic policy very carefully. You can take down the imperial sign, of course, and replace it with a democratic sign, the way it is being done today. But nothing really changes in this fashion. Therefore, the nationalistically oriented intelligentsia—here in Moldavia, in particular—took control of minds over a certain period. The peak of the stupor came in 1992. Even people with common sense were overcome with the nationalistic surge. Alas—that happens. The most clear-cut example is Germany. The Germans would seem to be calm and conscientious people, even impassive in some areas. But just recall the film clips that were seen throughout the world in which vast squares of people chanted in unison: "Sieg heil!" This kind of euphoria can and does capture vast masses of people. Moldavians are far from a bellicose people. They would agree with this. Nonetheless, they took it upon themselves to organize a war—and an entirely senseless war, at that. The Armenia-Azerbaijan conflict is in a way understandable—it is interethnic and interreligious. In other words, some kind of basis—though questionable—exists. But here Moldavians, Russians, and Ukrainians were on both sides of the barricades. And all three sides were of the Orthodox religion. This conflict simply should not have arisen, but it arose.

[Bershin] Politicians were also busy here, of course.

[Lebed] Of course. I do not know of a single general who would unleash a war with another party of his own will. There is that well-known phrase: War is the extension of politics by other means. It is politicians exclusively who make such decisions. The clearest example of this is Chechnya. I am deeply convinced that the minister of defense knew full well that he was not prepared for this war. All the same, he went off to fight. Solely for the reason that a political decision had been made. Incidentally, there was no legitimacy to this decision. Are you aware of the presidential edict on the state of war? I am not. But you have the order of the minister of defense, on which basis a widespread war has been unleashed. In other words, they just exposed Grachev. The war has been underway five months now and no end to it can be seen. In fact, the most terrible part lies ahead. Under the ruins of Groznyy lie hundreds, if not thousands of corpses of people and animals. One thing has saved us—the cold spring. But at some time this will turn into a hot summer. Cholera, plague, hepatitis, typhoid fever, and other delights will begin spreading across the country—from which there is nowhere to hide. You cannot pour chlorine over the ruins, because the corpses must first be extracted and buried humanely. Incidentally, the main scourge of the limited troop contingent in Afghanistan was hepatitis.

[Bershin] In that case, what is it that today compels you, a professional military man, to dash into politics?

[Lebed] In a normal state, you cannot drive the army into politics with a stick. But our army has been systemically politicized. Recall the slogans of 1993, not very long ago—the Army is outside politics. But who decided the outcome of the political confrontation in the fall of that very year at the White House? The Army. Who turned out to be the country's main political figure? The commander of a tank regiment. It was he who presented his 125-mm political arguments and decided the outcome of the campaign. One can only guess what would have happened had he presented his arguments on the other side. The Army was systematically dipped in political dung, beginning in 1988 with Sumgait. It swept away these conflicts the best it could. And every time found itself subject afterward to obstructions from absolutely everybody—from society to the highest political leadership. In this regard, the Army did not even understand what it was doing or at whose command. As a division commander, I flew from one hot spot to another over the course of three years and not once received an order.

[Bershin] In writing?

[Lebed] Or verbal. A harmless telegram would arrive telling me I was required to rush off from Point A to Point B and operate in accordance with the southern plan. Were the procurator to read it, he would not undermine it. It is an order to move—why would you not move? It is not written that you must shoot somebody or engage in combat. But then comes the telephone call—you must bring order to the area. Well, what do they mean by order? You can pick up an automatic weapon and shoot everybody—then you will have order. In short, there was no detailed statement, no legal basis, and accordingly—no legal protection. If you shoot, you are an idiot; if you do not shoot, you are also an idiot. Always an idiot.

[Bershin] In other words, you are saying that you did not just enter politics of your own accord, but were rather brought in?

[Lebed] I was not just brought in—I was driven in.

[Bershin] But then you, in turn, decided voluntarily to engage in politics?

[Lebed] No, I do not engage in political activity. I must avoid it in fact.

[Bershin] What about the Congress of Russian Communities?

[Lebed] That is not political activity. The Congress of Russian Communities is not a party, but rather a movement. It emerged naturally when it suddenly became clear, following the collapse of the Soviet Union, that 25 million of our fellow countrymen were outside Russia without any hope of returning. And you have arbitrary rule being established in these CIS countries with respect to many of these Russians.

[Bershin] Is ethnicity the factor that determines what comprises a Russian community, or are we talking about people of diverse nationalities who are united through an affiliation with Russian culture and language?

[Lebed] We established three qualifying factors. An individual must consider Russia his native land, the Russian language—his native language, and affiliate himself with Russian culture. His blood can be of 15 different nationalities, but if he meets these three requirements, the doors of the Congress are open to him. Ethnicity by blood has no significance here. After all, it is not by accident that they say: Scratch a Russian, find a Tatar.

[Bershin] And generally speaking, no one knows whom his great grandmother befriended, so to speak.

[Lebed] It is useless to define a nation on the basis of blood. It is a dead end. A bloody dead end at that. Our own Pushkin, for example, turns out to be non-Russian—the grandson of a blackamoor. But he was first and foremost a great Russian poet. Just like the "Scotsman" Lermontov.

[Bershin] Nevertheless, what is the purpose behind establishment of the Congress—to participate in elections, struggle for power?

[Lebed] We want to represent the interests of Russians who find themselves abroad. For a severed nation—is a nation of cripples. Until the economic premises are established for returning people to their native land, this conflict situation will continue. It must be kept at bay, and conditions must be created for our countrymen to be able to live normally in the territories where fate has thrown them. Secondly, Russians are a state-building nation. According to various data, they number 122-124 million in Russia. Out of 148 million. This nation is presently faded. It has become clear that there is no Russia as such. It is eroded. Every people has something of its own, but what does Russia have? Collective farming, nothing.

[Bershin] Perhaps this was always the fate of the empire- building nation? Especially since our empire was unique, nonclassical?

[Lebed] I would not put it that way. An empire-building nation, as you express it, must have its niche. Then everything falls into place. But when the most populous nationality of a country totters, all the rest totter as well. Because there is no fulcrum. No one knows where we are going, what we are building. There is the impression that we are not building at all, but tearing down. At the very least, the processes that brought down the USSR are continuing to develop in Russia. Appanage principalities are being created. Although history tells us that we have always been beaten when each individual prince sat behind his palisades. And a unified state never put its banner to shame in the larger scale of things. Today the entire civilized world is moving along the path of unification and progress, while we are moving somewhere in the opposite direction.

[Bershin] If you consider that in Russia's case, formation of the nation was completed somewhere around the time of Catherine the Great, you see that it was formed not as a Russian, Ukrainian, or Belorussian nation, but rather as a unified nation of Russia. If you split it up, therefore, you will get tribes, and not a nation. Do you find this disputable?

[Lebed] Perhaps it is disputable. But the fact that the country is ruined—artificially to a great extent, is to me not in dispute. At least Russians, Ukrainians, and Belorussians came from one root, one faith, one culture, the inheritors of one military glory. But now a rule conceived by God knows whom enters into force: In order to unite, we must first dissociate.

[Bershin] But this too is artificial. Why dissociate?

[Lebed] Apparently this is how we must reach the understanding that we cannot exist separately. Independence and sovereignty are very expensive.

[Bershin] I think many people in Ukraine and Belorussia already understand this.

[Lebed] Not everyone.

[Bershin] But why, for example, must presidents understand this? They are presidents. Things are already fine with them.

[Lebed] That is why a movement must begin from below. Otherwise you dismember Hercules. Hercules was powerful at one time, but then became sickly and mangy—yet he was still Hercules. They dismembered him. One person obtained an arm, another—a leg. In short, they pulled him in different directions. And then they hoped that this powerful arm would at some time begin to function. This was not to happen. It was dead meat. Now look at the Germans, French, and British. They fought among themselves for centuries and then made peace. Now they have formed a single space, a transnational space.

[Bershin] In this regard, have they built for us another "iron curtain?"

[Lebed] They expended great efforts to take down our notorious "iron curtain." They took it down and were victorious in the "Cold War." And now you have our people, far from civilization, inundating their countries. So they think of how to bring this "curtain" back. But Stalin is gone. Who will hang the "curtain?" In the meantime our limitless expanse has crept up to them.

[Bershin] Naturally. We have one world.

[Lebed] So here I congratulate them on their victory in the Cold War.

[Bershin] Then too, we see from history that the victor of one war or another always turns out to be the vanquished in the final analysis.

[Lebed] Right. That is the way it will be.

[Bershin] Aleksandr Ivanovich, I do not wish to ask you whether or not you will be running for president of Russia....

[Lebed] Please, try to be original.

[Bershin] ...and I do not wish to run up against your famous reply—"If a grandmother had a beard, she would be a grandfather." All the same, suppose you were suddenly nominated as a candidate for president.... Do you consider yourself prepared for such a responsible role?

[Lebed] I do not consider myself prepared for this role. That is the first thing. Secondly, despite all your stipulations, you have entered into the sphere of "if." Life has taught me not to engage in long-term future planning.

[Bershin] Fine. Whether or not General Lebed runs—is General Lebed's problem. I would just like to know what you would start out with, were you to assume this office. Do you have any thoughts or ideas?

[Lebed] I do. I have many thoughts. But for the time being I have no moral right to expound these thoughts. Coming from an army commander, this would smack of megalomania. Secondly, if I tell you what I intend to do, and you do not think very highly of me, you will always be finding ways to interfere with these plans. It is first necessary to take an action, and only then interpret it.

[Bershin] There is the point of view that politics is an unscrupulous kind of thing, since it considers all means appropriate to achieve an end.

[Lebed] That is a false view. Just like the view that any individual who accedes to power is an inveterate scoundrel. Why not look at other, even imported examples? What is bad that can be said about Francois Mitterrand, who served two seven-year terms in office? Can he be accused of being dishonorable? I am not aware of any such accusations. What about Kohl? It is said that many people do not like him because he is so stern. But they elect him to another term. Because they respect him. He united Germany, got foreign troops withdrawn from his country, and is using a stiff arm to pull East Germany up to the level of West Germany, and West Germany—to even higher levels. He accomplished so much for his country that he can likely be compared only to Bismarck. And who will accuse him of being dishonorable?

[Bershin] Aleksandr Ivanovich, what is your view of the authority?

[Lebed] It is a means, an instrument used to do something for the country. We must become richer along with the country, and not at its expense. But we have a distorted view of the authority.

[Bershin] There was a time in our history when people asked for Varangian rule. Has that time come again?

[Lebed] We do not need Varangians. We crawled into the dung heap on our own, and we have to climb out of it on our own.

[Bershin] How do we get out of the situation in which we find ourselves in Chechnya? And generally speaking, how should a state behave which finds itself in confrontation with armed separatism, even if artificially created?

[Lebed] Artificially created is exactly what we are talking about. For three years and three months we not only tolerated this regime—we pampered it in every conceivable way. Consider this one fact. Oil from Russia was pumped to the oil refining plants of Chechnya, but no one knows where the products of oil refining wound up. What does this say? Everyone cursed Dudayev. But they not only tolerated him—they created a powerful economic base for him at the same time. First they turned over weapons, then divided the remainder in half. The Russian share of this apportionment was placed in one aircraft—and even that was later left for Dudayev. Military servicemen of the Russian Armed Forces were driven out like junkyard dogs. They left naked and barefoot. Russian troops being taken out of Russian territory. And then they resorted to beating. Why beating right away? Why not use the well-developed mechanisms of political and economic pressure?

[Bershin] Perhaps we should have recognized Chechnya?

[Lebed] I have already said that independence is very expensive. Just as once all roads led to Rome, today they all lead to Moscow. We have complete economic interdependence. And not only with Chechnya. There exists an economic dependence coefficient. Russia has the minimal dependence coefficient—0.32, and Moldavia has the maximum—0.995. In other words, Moldavia is almost 100 percent dependent. It is against this background that people are trying to build their sovereignty, striving to obtain just as much as they used to obtain. People must be given the opportunity of feeling the burden of sovereignty. If you want to be happy—be happy. Live. But if I sell you something, it will be at world prices. And if you are unable to pay, I will turn off the faucet. If such a policy were to be implemented, all these movements towards sovereignty and independence would be sharply curtailed. Sit there without gas, without oil, without coal, without timber. While I explain to you in smooth Russian that you will sit out the rest of the century right where you are. You have sovereignty to warm yourself, and independence to eat.

[Bershin] What kind of state structuring is closer to your way of thinking? Democracy, totalitarianism, a monarchy?

[Lebed] A monarchy? I am not a proponent of reviving political corpses. Especially since our sovereign and all his closest relatives were executed. Questionable ones remain. In other words, the branch is broken. If we start talking about a monarchy, the greatest brawl will break out insofar as half the populace will find this idea unacceptable, and the other half will divide up into groups, each of which will put forward its own tsar. Totalitarianism? We already had that. We went through it. We suffered it and then received an inoculation, like a smallpox inoculation. Democracy? We have a ways to go in this direction. A truly democratic state must be build brick by brick. Democracy means the execution of laws and compliance with the Constitution. So these laws must be established. Laws the majority of the populace are interested in. And the conditions must be established for implementation of these laws. Then the system will work. But a transition period is required to do this. The way I see it, it will require no less than two generations. People with a different vision have to arrive on the scene. Our generation has become dogmatic. It has become numb, its spinal cord stiffened. So we must raise a new generation.

[Bershin] Who will raise this generation? We?

[Lebed] We will create the conditions for it. After all, every new idea undergoes three stages in its development. First—the reaction that it is raving nonsense. Second—the sense that there is something here. Finally in the third stage, everything is apparent and understandable. Support must be provided for the period of passage of an idea. But who is to provide the support? Once again we see that well-known formula from the well-known story. When the mice decide to attach a bell to the cat's tail in order to be provided early warning of his presence, everyone agrees. But the question arises: Who will affix the bell? Everything comes to a standstill. So—who will do it? Apparently, for a certain period of time we are simply doomed to return to an authoritarian state.

[Bershin] What kind of structure do we have presently in Russia?

[Lebed] The same as before. Nothing has changed. In 1991 the authority simply collapsed. The system is rotted away. But the party nomenklatura has always been able to tell which way the wind is blowing. It made a timely assessment of the situation, threw its party cards into the refuse bin, seized power, and is now leading us towards some other kind of bright future. I do not know of a single instance where an oblast or rayon committee secretary—like Salvador Allende, with an automatic weapon in his hands and waving a red banner—would fight for the communist authority. They all retreated quietly to their previously prepared commercial positions. They are all once again in positions of power, well-fed, tipsy, with good tobacco. They do not need us to live better. Get a crowbar and dig a hole, as they say. But might not a shovel be better? Indeed, I do not need things to be better—I need you to suffer.

[Bershin] Aleksandr Ivanovich, the language you use is not strictly standard. Perhaps you could tell LITERATURNAYA GAZETA readers what kind of literature you enjoy, what authors you prefer?

[Lebed] Classical writers. Like Gogol and Saltykov-Shchedrin. I relax by reading their works.

[Bershin] What about modern authors?

[Lebed] "You do not see someone's face when you are face to face. You get the big picture at a distance." My distance is still not very great. I have not really scrutinized contemporary authors, although of course I read in order to remain current. I have a large library.

[Bershin] Your entry into Tiraspol was somewhat similar to the entry into Jerusalem. At least, there were a good many cries of "Hosanna." Has it turned out, just as in the Bible, that you are now hearing cries and curses of "Crucify Him"?

[Lebed] Biblical comparisons do not suit me very well. Let me repeat—I have commanded everything it is possible to command, and I know that as a leader, it is simply impossible to please everybody. The same thing applies to the local populace and their attitude towards me. I have not heard "Crucify Him" expressed with respect to me. The people of the Dniester Region relate positively to me. The leadership is another matter. Perhaps they are dreaming of the day I eat something and fail to wake up.

[Bershin] We are accustomed to doing everything in campaigns. If we build democracy, we try to mold it from what we see in the United States or somewhere else. Perhaps the state structure should be something suited to the state or nation in question? Should Russia structure something of its own, or is it better to adopt already formulated models?

[Lebed] A state structure should be based on the nation's mentality. I do not vouch for the accuracy here, but I was told that Gorbachev tried to grow cactuses in Foros. Everything required seemed to be there—it was warm and dry. But cactuses did not take root. One must take an extremely critical view of others' experience, even the most outstanding experience. You must be very careful in adopting things for use on your native soil, considering the mentality, the preparation level, public opinion, and the social consciousness, so that the same thing does not happen as did with the cactus—it is introduced, money is spent, and it withers away. At the same time, you cannot sweep everything aside. There is the general world experience of civilization and economics, and it must be utilized. We should not try to reinvent the wheel.

Commission To Check Complaint Against Lebed

LD2405211695 Moscow ITAR-TASS in English 2054 GMT 25 May 95

[By Valeriy Demidetskiy]

[FBIS Transcribed Text] CHISINAU, May 25 (Itar-Tass) — A commission led by Colonel-General Grigoriy Bessmertnykh, deputy head of the Russian Military Inspectorate, has arrived in Tiraspol to check a complaint against 14th army commander Lieutenant-General Aleksandr Lebed, sources in the 14th army told Itar-Tass on Wednesday [24 May].

The sources which spoke on condition of anonymity said that the members of the commission had had talks with senior army officers in the last two days to find out more about Lebed's relations with the local authorities.

Lebed has accused the Dniester region authorities of corruption and their desire to get hold of the army weapons. In return, the Dniester separatist leaders sent a number of complaints to Moscow and did not try to conceal their satisfaction with the prospects of Lebed's possible removal.

The sources also said the commission intends to stay until Lebed returns from Moscow where he is attending parliamentary hearings on the fate of his army and the settlement of the Dniester conflict.

The Russian State Duma expressed serious concern about the Defence Ministry's plans to reorganise the army's command and the uncertain future of its arms depots and hardware deployed in the break-away Dniester region of Moldova.

The State Duma, the lower house of the Federal Assembly — Russia's parliament — adopted a resolution recommending President Boris Yeltsin to refrain from any personnel changes in the 14th army until all issues related to the ownership and safety of military depots in the Dniester region are resolved.

The resolution also asks the Defence Ministry to take urgent measures to step up control over the military depots in the Dniester region and appoint a person in charge.

It advised the government to estimate the cost of measures to ensure the proper safety of the depots and provide for the adequate funding to this end in FY 1996.

The Duma also passed the law "On Measures to Ensure the Safety of Military Arsenals in the Area of Deployment of the 14th army of the Armed Forces of the Russian Federation."

Its key article calls for a moratorium on the reorganisation of the army command, reduction of its strength and withdrawal until the necessary conditions are provided for a political settlement of the conflict in the Dniester region, transportation and destruction of weapons, ammunition and equipment belonging to the 14th army.

In his speech to the Duma, Lebed said he hoped that the leadership of Russia will hear the voice of the State Duma and cancel its decision to reorganise the 14th army, which will behead it and lead to a new war in the Dniester region.

He said the weaponry that the army has is enough "to turn Moldova with a population of 4.5 million into Groznyy. I will not allow anyone to steal these arms."

Lebed was very skeptical about the optimism of Joseph Pressel, U.S. State Department coordinator for regional problems in the new independent states, who said during his recent visit to Moldova that the Dniester conflict may be resolved within the next 18 months.

"The negotiations are not in progress, and will not be held," the general said.

The Yugoslav crisis has shown that the United States, the United Nations and other international organisations cannot help if the warring sides refuse to compromise, Lebed said.

He believes, Dniester region leader Igor Smirnov has lost control of the situation and neither he nor Moldavian President Mircea Snegur will be able to resolve the Dniester conflict. This will require new leaders and new approaches, he added.

According to Lebed, the only force capable of solving any task is the 14th army command which has full control over the situation in the region.

In his meeting with the Russian deputies, Lebed confirmed his disagreement with the Defence Ministry's decision to reorganise the army command, saying that this will "behead" it, enable mafia-like paramilitary structures, such as Ukraine's UNSA-UNSO, to get hold of the army's weapons and will eventually lead to a new war in the region.

"I am not clutching at this post and ready to leave (Defence Minister) Pavel Grachev's army right now, but I have not found a person yet who would take the burden of responsibility for the lives of people of this region," Lebed said.

Debates 'Negatively' Influencing Dniester Issue

AU2405135295 Chisinau BASAPRESS in English 2050 GMT 23 May 95

[FBIS Transcribed Text] Chisinau, BASAPRESS, 23/5/1995 — The Russian State Duma debates on the 14th Army and situation in Dniester might negatively influence the Dniester dispute settlement, Moldovan deputy speaker Nicolae Andronic told BASAPRESS. According to him. Russian deputies' opinions are regarded as the official Russian position in Tiraspol and this slows down the talks on special juridical status. By discussing the problem of double citizenship for Russian ethnics and the Russian language status in Moldova, Russian legislators might favor the emergence of anti-Russian spirits in western Moldova. Under the current circumstances in which the State Duma "is in political agony," Moldovan public opinion pins its hopes on the July meeting between Mircea Snegur and Boris Yeltsin, said Andronic. Zatulin's conclusion that there are different opinions on the 14th Army withdrawal agreement among Moldovan officials is erroneous and groundless, stated Andronic. He added that the 3-year period for the withdrawal was proposed by Moscow experts, while Chisinau insisted on 1.5 years. General Lebed's latest proposals, initially made in the autumn of 1994, to recognize the 14th Army into peace-keeping forces cannot be accepted because the Army was involved in the 1992 conflict, said Andronic. it cannot be impartial because 90 percent of its soldiers are from Dniester.

Kazakhstan

Kazakhstan Confirms All Nuclear Warheads Removed

LD2405172595 Almaty Kazakh Radio First Program in Russian 1400 GMT 24 May 95

[FBIS Translated Text] The Foreign Ministry has been authorized to announce that the Republic of Kazakhstan, in strict adherance to its commitments as defined in the Nuclear Nonproliferation Treaty [NPT] and the Strategic Arms Reduction Treaty, has removed all nuclear warheads [boyegolovki] from its territory. The security guarantees given to Kazakhstan by the states which possess nuclear weapons, such as the United Statets, Russia, China, Great Britain, and France, were very important for our state in fulfilling its commitments.

During the conference on the NPT which was held in New York recently, Kazakhstan — which has consistently called for the nuclear nonproliferation system to be strengthened — spoke in favor of prolonging indefinitely this fundamental agreement which is directed toward maintaining and strengthening global security and stability.

The decision which the conference took to prolong the NPT indefinitely is thus in total accordance with the aims of Kazakhstan's foreign policy.

President Ratifies Investment Accord With Italy

LD2405220495 Almaty Kazakh Radio First Program Network in Russian 1901 GMT 24 May 95

[FBIS Translated Text] The president of the Republic of Kazakhstan has issued a decree ratifying an agreement between the Governments of Kazakhstan and Italy on encouraging investment and on mutual investment protection.

Resolution Will Withdraw Premium Bonds

LD2505091295 Almaty Kazakh Radio Network in Russian 1400 GMT 23 May 95

[FBIS Translated Text] The Cabinet of Ministers has adopted a resolution on withdrawing 1992-issue state premium bonds from circulation from 20 May, and conducting draws to clear them by 31 December 1995. Total repayments of these bonds are to start on 1 June; this will be organized by holding monthly draws to clear them.

The Finance Ministry has been instructed to draft regulatory documents within 10 days defining the procedure for conducting the draws. The Narodnyy Bank is to pay out on the bonds according to the prize lists.

Slavic Society Newspaper Motives Examined

954F2341A Almaty NOVOYE POKOLENIYE in Russian 19 May 95 p 10

[Article by Amantay Akhetov, Kazakhstan Journalists Union Prize winner: "With Whom Is LAD in Discord: LAD's Position Is Rooted in Imperial Ambitions Accompanied by Disregard for the Dignity of Other Peoples"]

[FBIS Translated Text] We are all people. And since the Creator wanted to see us of different face, since HE intermingled the tongues and dispersed Adam's brood over all continents, there probably was a high purpose in this too: to make humanity to treasure its land, its language, and its destiny, and harden its spirit in temptations and enticements, learn to see its kin in each offspring of the human race. Many of us, however, harbor arrogance, and sometimes open contempt for the weak and minor brothers. But great nations and empires disappear from the stage of history, making room in time for the star hours of new tribes and peoples.

We are all people, and it happens that we equally are prone to blindness. And in this blindness is the root of our troubles, evil, and violence. But each human branch is distinguished by its own uniqueness. The proverbial British punctuality, German neatness, Jewish enterprise, Kazakh hospitality, and Russian daring and generosity are no accident. And nobody is ashamed of their national traits, even though sometimes they are unbecoming.

However, there is also quite a bit of the superficial in any society, and in any character of each nation, which would be advisable to get rid of. I was compelled to touch upon this far-from-pleasant topic by the materials, which destroy the good of the past, in the so-called Slavic people's newspaper LAD ["ACCORD"], published in Akmola.

I would never encroach on the national feelings of Russian friends had not the evil substance of the ideas propagated by the newspaper resonated with shame in my heart. Because I am an offspring of the Russian culture that was lit up by Pushkin's name, enriched and filled with love for humanity by the remarkable cluster of Russian immigrants, who have brought into the Russian culture German and French, Armenian and Jewish, Caucasian and Asian roots. Therefore, it hurts me twice as much to see how the seeds of discord are being sown between my blood and spiritual brothers.

LAD's position is rooted in imperial ambitions, accompanied by a disregard for the dignity of other peoples. Otherwise, how can one see offense in returning historic names to cities and towns, the revival of Kazakh language and culture, and opening preschool facilities in the native language. In Glushkov's article "Judge for Yourself" (No. 2-3, 1995), LAD attached a frightening meaning to this fact: "We have taken the road of apartheid, practicing separate education and upbringing of children." Lapshin's article "What Do the Semirechye Cossacks Want?" certainly appraises the legitimate demands to hold processions and rallies from the same position. The authors of this article are jumping the gun in their accusations; meanwhile, the same article says that "the Cossacks 'struck back' by blocking the rally at 'Tselinnoye...,' walked in their national garb." I am curious: What apartheid would make such processions possible; and I am no less curious: Where did the Cossacks' national garb come from—after all, until now we were not aware that there was such a nation—Cossacks. The Cossack uniforms, on the other hand, are familiar not only to foreigners but also to Russians themselves, whose rebellious spirit more than once had been suppressed by the whips of zealous defenders of the tsar and the motherland.

Well, dear gentlemen-defenders of the Slavic roots: Could it be that it is your blindness that stands in the way of brotherly peoples living in peace? Is it not at the prompting of such "patriots" that the Russian people increasingly reject yesterday's allies and brothers in faith, if one may consider communist ideology a faith? Although LAD followers themselves display a desperate nostalgia for the Kremlin regime and faith. To their bitter regret, the flow of refugees to Russia from the national outskirts is not receding, but a considerable contribution to this is made by instigators under the mask of protectors of national interests, who themselves undermine the ground they stand on by thoughtless words, by pitching their mercenary interests against true human interests of the peoples joined together by centuries. But it was said as early as in the Bible: Treat people as you would like them to treat you.

The louder LAD's clamor about the oppression of Russians (and this is in the northern regions, where they are in the majority), the more it insults Kazakhs' national feelings. Because nationalism never springs out of nowhere. It is a defensive reaction to encroachment on dignity. And no nation can be happy at the expense of another. By pitching the nations one against the other, playing on the grief and pain of the people, keeping count of mutual insults, which often stem from the lack of culture, lack of knowledge of traditions and psychology of the brotherly Adam's kin, we fan up the passions in the already strained society of lost opportunities and unrealized hopes. Would it not be better to be considerate of one another, try to understand others' pain, and suppress national arrogance in oneself when it comes to human relations? Because in our multifaceted Kazakhstan, more than anywhere else, we need a firm policy of national accord.

But LAD keeps fanning up rumors of the lack of rights and suppression of the Russians. "The Russian and Slavic diaspora are in a particularly grave situation. To all the troubles that have befallen the Kazakhstani people is added infringement by the ethnic attribute, the attribute of not knowing the official state language, discrimination against the Russian language; pushing out of key positions Russian-speaking cadres and discrimination in enrollment in institutions of higher and secondary education." (No. 12, 1994).

One wants to cry from such glaring injustice. And no arguments. Let the disturbed reader figure out for himself where is truth and where are lies. The important point is to arouse emotions, to hurt inner feelings. And a blinded person does not care about the truth. So others can do the thinking for him and manipulate him in the interests of cheap politicking.

In the next, January 1995, issue, LAD goes further, now moving up to an open call for putting pressure on the authorities and state policy. "Participants in the conference see it as the main task of the ROSD [Russian public social movement] 'LAD' organizations to strengthen the direct influence of the people on the structures of authority so as to change by political means the antipopular course in the economy, and foreign and domestic policy." And further on: "To begin a propaganda campaign among the Slavs with the aim of uniting and solidifying them as the most effective means of defending the national interests." A classic call for resurrection in the spirit of Bolshevik traditions, except that proletarians are now replaced with Slavs.

And the combined February-March issue already published a theoretical education aid of sorts: "Struggle Has To Be Learned," devoted to the lessons of strikes at some Akmola enterprises. "Today enterprises pose one demand: paying out arrears in wages. But does this demand solve our problems? I believe it does not. Because the source that has begat it is not going to disappear. And this source is the course of economic reforms of the republic's president and the government." "What is needed is full solidarity of the working people. It is time to reject the localized demands and move to an organized struggle for our rights." By the way, the author is not the young Ulyanov, but the newcomer A. Bavyk. Another candidate for a leader.

After such reading, as a law-abiding citizen I cannot find words to define LAD's ideology. I simply exhort the readers themselves to show good sense: It is time to stop and think where the self-appointed leaders are taking us, what they want to doom our children to, and what more troubles the want to stir. The delayed-action bomb contained in each issue, and dressed in a mythical tale of oppression of Russians, is being tied to the theme of production decline and everyday problems. It turns out that all of this is being done in order to discriminate against Slavs, but at the same time it is being absolutely ignored that the Kazakh people have not had and do not have any privileges or advantages. And they cannot. We are one family, and share the same joys and difficulties. Only God save us from pseudo-righteous men and sorry teachers.

For some reason, the Kazakh language, which already had lived through its black times at the fault of Kremlin politicians, has become the main object of attacks of militant LAD adherents. The catastrophic decline of its prestige is the tragedy of the entire nation. And is this not a duty of every honest man living in Kazakhstan to, if not help, then at least not stand in the way of its revival, instead of treating it as an encroachment on the honor and dignity of others? Especially considering that the real position of the Russian language and attaching to it in the future the status of the state language do not in any way indicate discrimination against it. Fanning up passions around this issue is nothing else but intentional inciting of interethnic strife.

It is also dangerous to speculate on the migration of the Russian-speaking population, whose departure for the historic motherland is not at all tied to politics and ideology but is dictated by economic difficulties. For instance, intense migration of Russians from Kolyma and other northern and Far-Eastern regions is under way. Shall we tie this, too, to interethnic problems? But at the same time, for some reason people, for instance, do not want to leave—even under pressure—the Baltics, where the citizenship and education rights of the Russians are indeed being infringed upon. It turns out that the standard of living is after all more important than cheap political gabble.

These are just a few examples of LAD's acrimonious materials, but look how much poison has been poured on interethnic relations. While we have only one antidote—not to fall for the devilish temptation of inciters of strife and all together fend off their snake bites. Because we all came from the common past. Our blood ties are stronger than the borders that divide us. Do we really need to explain to our Russian brothers who the Kazakh people are—the same people who were presented in Stalin's textbooks as a nation of complete illiteracy and feudal backwardness, while the progressive thinkers and carriers of culture were living out their remaining days in the camps? Yes, our forebears did not build temples, but they knew how to respect truly human laws. Our people did not surround the nomadic camps with stone walls and did not divide the territories by fences, because they considered the Steppe its common home. They did not build triumphal arches because they did not encroach on others' territories and did not consider protection of one's own land a particularly heroic deed. Neither have our people ever had slavery in the sense it is understood in historic development. A son of a captured slave became a free man and a full-fledged member of the clan. Neither did we have punitive organs, because we revered wisdom and the word, and those honored in the steppes were not rulers and owners of riches but storytellers and bards. There are few people on earth with such a rich folklore, heroic and lyrical tales. And these are the people they tried to present as illiterates, to label us as a backward and primitive nation. And today, at the dishonest prompting of LAD, they are also trying to label us nationalist.

Have you really forgotten the empathy with which our brothers met poor Russian migrants, and those exiled to labor camps, and entire repressed nations? They found here bread and shelter, understanding and empathy; they found here a new motherland, set their roots. Have not such people earned, if not gratitude, then at least the same understanding of their problems and troubles, hopes and aspirations? Will we, blinded by temporary difficulties and poverty, lose the main point—the unity of our human souls? For some reason, I do not want to believe it.

Kyrgyzstan

EBRD Loan To Finance Power Engineering Project

LD2305114795 Moscow INTERFAX in English
1027 GMT 23 May 95

[FBIS Transcribed Text] Bishkek, May 23 (FIA) — The European Bank for Reconstruction and Development will grant a credit of $38 million to Kyrgyzstan's State Energy Holding Company under government guarantees to upgrade the country's power grid.

The Kyrgyz Government's press service reported to the INTERFAX Financial Information Agency, the loan is part of a deal struck at Monday's talks in Bishkek between EBRD Vice President Ronald Freeman, Kyrgyzstan's Prime Minister Apas Dzhumagulov and the State Energy Holding Company's President Zhamalbek Tuleberdiyev. In line with the accord, the credit will be provided for 12 years at a LIBOR + 1 percent annual interest rate with a two-year repayment reprieve.

Under a $56.3 million project in the Issyk Kul region (eastern Kyrgyzstan), 110 KW power transmission lines will be laid to the Kumtor gold mine, being developed by Cameco of Canada.

Government Resolution on 'Crisis' in Economy

LD2305113995 Bishkek ERKIN TOO/SVOBODNYYE GORY in Russian 20 May p 6

[FBIS Translated Excerpt] Kyrgyz Government Resolution No. 168, Bishkek, 16 May, "On the results of functioning of the economy of the Kyrgyz Republic in the first quarter of 1995":

The Government of the Kyrgyz Republic notes that in the first quarter of 1995 the economy of the republic was functioning in conditions of continuing crisis. The trend toward slump in sectors of the economy continues, although the rates of slow-down have substantially slackened when compared with previous years, and some positive shifts have emerged. The relative level of the fall in GDP in the first quarter of 1995 amounted to 6.7 percent, the volume of industrial output to 12.6 percent, and gross agricultural production to 9 percent, as against 26.2, 29.6, and 7 percent respectively in 1994.

In March 1995, the volume of industrial output compared to that of February increased by 10.3 percent, gross agricultural production by 5 percent, the manufacture of consumer goods by 12.6 percent, and retail trade turnover (in comparable prices) by 15.4 percent.

Actually, the volume of GDP increased by the forecast level in the first quarter, that is by 1.4 percent, and gross agricultural production by 11.5 percent.

At the same time, negative trends also continued in the economy in the first quarter of 1995.

The budget deficit in January-February 1995 amounted to 127.3 million soms; nonpayments in February alone increased by 22.4 million soms.

Forecast indicators were not reached in the volume of industrial output (88.5 percent), retail turnover (87.6 percent), and development of capital investments in all sources of financing (70.2 percent).

Agrarian and land reform is being implemented slowly in the countryside. The role of farmers' holdings is low, and its share in the volume of output of agricultural production is around 10 percent.

Owing to the low level of investment activity, the situation in capital construction remains complicated. The specific weight of internal sources of financing is being curtailed. Only 18.33 million soms were financed during the first quarter from the envisaged 29 million soms of the centralized funds for state capital investments from the republican budget.

The volumes of cargo transportation are being decreased, especially those by railway transport (by 50 percent). The volume of paid services to the population fell by 32 percent against the first quarter of 1994.

Raw material resources continue to make up the main share of exports: cotton fiber, wool, raw leather, and antimony — 70-80 per cent.

The number of officially registered unemployed grew, and numbered 22,300 people. The unemployment level, taking into account people on compulsory leave and on short-time work, came to 10.5 per cent. [passage omitted]

Dzhumagulov Addresses Supreme Council on Budget

LD2405222395 Bishkek Kyrgyz Television Network in Russian 1430 GMT 24 May 95

[FBIS Translated Excerpt] The next phase of the Supreme Council's first session opened this morning. Deputies to the Assembly of People's Representatives gathered for the meeting. The session will last only a week and will be almost entirely devoted to the most important matter — the republican budget for 1995.

Our correspondent has the details in his report.

[Correspondent] [passage omitted] In the afternoon we had a chance to work at the Legislative Assembly of the Supreme Council, which last week passed a law on the minimum consumer budget. Today it was decided to hear a report from the government, which Prime Minister Apas Dzhumagulov presented to deputies.

From his report it became clear that despite the measures undertaken by the government, the arrears in payment of pensions and benefits are still high in certain areas of the republic. The population's standard of living has been halved since the national currency was introduced. The minimum wage currently amounts to just 29 percent of the minimum consumer budget, which was 487 soms as of 1 May 1995. That is how much everyone needs every a month in order to acquire the minimum consumer basket.

If we compare it with the state of affairs in the CIS countries, however, and convert it into dollars, then we have:

[Begin Dzhumagulov recording] Kazakhstan — 75.5, Kyrgyzstan — 33.10, Russia a maximum of 93, Turkmenistan - 22, Uzbekistan — 24, Ukraine — 34.7 [dollars as an average monthly salary]. We are somewhere among [word indistinct] of the 10 countries, in terms of average income of Kyrgyzstan expressed in dollars. Now for the minimum pension, in dollars: Kyrgyzstan — six; Armenia — 2.5; Belarus — 2.5; Kazakhstan 3.6

— to tell you the truth I can't figure it out: the average Kazakh wage is 75.5 and the minimum wage is 3.6. Kyrgyzstan — six, as I said; Russia —five; Tajikistan — two; Turkmenistan — 3.3; and Uzbekistan — four. [end recording]

Then Apas Dzhumagulov answered questions put by the deputies.

Tajikistan

Aga Khan on Presence of Russian Border Guards

LD2405181095 Moscow ITAR-TASS in English 1611 GMT 24 May 95

[By Nuriddin Kashibayev]

[FBIS Transcribed Text] DUSHANBE, May 24 (Itar-Tass) — Leader of Ismailites the Aga Khan IV on Wednesday [24 May] came out in favour of the presence of Russian border guards in Tajikistan.

The Aga Khan arrived in Dushanbe at the invitation of the country's government. He met commander of the Russian border guard troops in the republic Lieutenant-General Pavel Tarasenko on Wednesday.

It was noted at the meeting that the Tajik people feel gratitude for the Aga Khan's efforts aimed at normalizing the situation on the Tajik-Afghan border.

On Wednesday, the Aga Khan IV left Dushanbe for the autonomous region of Gorno-Badakhshan. In connection with his visit, Russian border guards will let 81 Afghan Ismailites cross the border and, in accordance with the Tajik government's decision, they will be admitted into the Shugnan and Ishkashim regions.

Cooperation Agreement Signed

LD2405210295 Moscow INTERFAX in English 1719 GMT 24 May 95

[From the "Presidential Bulletin" feature No. 96 (840): compiled by Nikolay Zherebtsov, Andrey Petrovskiy; edited by Vladimir Shishlin]

[FBIS Transcribed Text] President Emomali Rakhmonov and head of the world Ismailite Muslims Aga Khan IV signed a cooperation agreement on Tuesday [23 May] in Dushanbe. Head of the Tajik Foreign Ministry's information department Zafar Saydov told Interfax that the agreement establishes conditions of the Aga Khan organization's activities in economic, humanitarian, social and cultural development of the state. IF Note: Aga Khan IV is the 49th hereditary Imam. Ismailites believe he is a direct descendant of Prophet Mohammed. The Aga Khan Fund is rendering material aid to residents of Badakhshan and has offices in Khorog and Dushanbe. The majority of residents of the Gorno-Badakhshan autonomous region in the east of Tajikistan, about 200,000, are Ismailites. The Fund is helping to reform the Badakhshan agriculture, implement the land reform and long-term programs in agriculture. The organization also helps to develop education and health care in the Pamirs.

Under the document, Aga Khan will have consultations with the Tajik leaders and appoint his personal representative for coordination of the Fund activities with the Tajik government. The representative will enjoy benefits and immunity envisaged for ambassadors.

The signing ceremony was preceded with a closed-door meeting of the Tajik President and the Ismailite leader. Rakhmonov described the official Tajik visit of Aga Khan as "historic" and expressed the hope it will help national unity and accord in Tajikistan and the whole region. The President thanked Aga Khan for humanitarian aid "rendered to the Tajik people at a time of trial."

Commenting on Tajik constitutional reforms and building of a democratic and law-governed state, the President said that his government has made social-economic problems a priority.

Rakhmonov dwelt in detail on inter-Tajik settlement. In his words, Dushanbe is facing a problem "of complete stabilization on the Tajik-Afghan border and return of all Tajik refugees who happened to be outside the country." He stressed "there is no alternative to peaceful settlement of the remaining problems and negotiations" and said he plans further cooperation "with all international organizations ready for interaction on the basis of universal norms and principles of the international law."

In his turn, Aga Khan IV voiced his support to the policy of President Rakhmonov aimed at consolidation and national unity. He noted with satisfaction that people of various religions, including Ismailites, are free to perform their religious rites.

He expressed the readiness for assistance to Tajikistan in measures against the grave economic situation, and a contribution in lasting peace and stability in Tajikistan and the region. Aga Khan IV promised to help the financing of construction of a highway between the Khatlon region in the Tajik south, and Badakhshan and Karakorum highway.

On the same day, Aga Khan IV met commander of the Russian border troops lieutenant-general Pavel Tarasenko. The latter informed the spiritual leader of Ismailite Muslims that the Russian border guards have done their best to make his visit safe and fruitful.

On Wednesday Aga Khan IV left Dushanbe for Khorog, the administrative center of the Gorno-Badakhshan autonomous region. When in Badakhshan, he will meet local leaders, representatives of the self-defence forces and the Ismailite community which includes the majority of local residents. The Tajik leadership has decided to allow into the republic all Ismailite Muslims wishing to meet the spiritual leader who have gathered on the Tajik-Afghan border on the side of Afghan Badakhshan.

Positions 'Polarized' in Inter-Tajik Talks

LD2405141395 Moscow ITAR-TASS World Service in Russian 1240 GMT 24 May 95

[FBIS Translated Text] Almaty, 24 May (ITAR-TASS) — The positions of the sides taking part in the inter-Tajik talks which started here today behind closed doors are again polarized.

ITAR-TASS learned from a reliable source that the opposition insists on the annulment of Tajikistan's present constitution and on the holding of new presidential and parliamentary elections. The republic's government delegation is categorically against this. Its stand is that the present state system in Tajikistan fully accords with the situation that has developed and with the general mood of the people.

Consequently, UN Special Envoy Ramiro Piriz-Ballon is pessimistic about the final outcome of the round of talks in Almaty.

Tajik opposition representative Akbar Turajonzoda, who arrived in the Kazakh capital yesterday evening, intends to go to Bishkek today for talks with Kyrgyzstan's President Askar Akayev. He apparently hopes that the Kyrgyz leader — who will most likely be taking part in the CIS summit in Minsk — will at his request inform leaders interested in solving the Tajik crisis of the opposition's position, including Tajik President Emomali Rakhmanov.

If Kazakh President Nursultan Nazarbayev gets over his cold, he will receive Piriz-Ballon and the heads of the delegations representing official Dushanbe and the opposition on his own on 30-31 May.

Rakhmanov Reiterates Stance on Constitution

LD2405162695 Dushanbe Radio Tajikistan Network in Tajik 1100 GMT 24 May 95

[FBIS Translated Excerpt] According to a report on Russian Television's "Vesti" program, in the fourth round of inter-Tajik talks that are taking place in Almaty, the capital of Kazakhstan, the opposition delegation have added to the agenda the issues of revising the Constitution, the fundamental law, and setting up a coalition government. This news has caused grave anxiety among the residents of Tajikistan.

On this subject, Emomali Rakhmanov, the esteemed president of the country, told our correspondent the following:

As is known to the people of the world, we took all measures for the sake of peace and calm, friendship, the union and integrity of the country, for the approval of the Constitution — the fundamental law — by free and nationwide referendum, for the election of the president and total participation in these votes, and the day of this important campaign was delayed for 40 days. [passage omitted]

The Constitution of the country runs: The Republic of Tajikistan is an independent, democratic, legal, and secular state. In response to those who now want to amend the Constitution of the Republic of Tajikistan and propose the setting up of a coalition government, I would recall Article 100 of the Constitution, which runs as follows: The governing structure of the republic, the territorial integrity, democratic, legal, secular, and social essence of the state are unchangeable. Moreover, as a president elected by the people I have sworn an oath that I will use all my knowledge and skill, experience and power to defend the Constitution, the fundamental law, and will keep it sacred. This is my address to the honorable people of Tajikistan and response to those who propose changing the Constitution, the fundamental law of the Republic of Tajikistan.

Emomali Rakhmanov, the president of the Republic of Tajikistan.

Sides Exchange Proposals on Constitutional System

LD2405191095 Moscow INTERFAX in English 1719 GMT 24 May 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, and edited by Vladimir Shishlin]

[FBIS Transcribed Text] The first joint meeting of delegations of the Tajik government and the opposition has lasted for 20 minutes to exchange proposals on constitutional system of the state. The meeting is part of the fourth round of inter-Tajik talks which started on Wednesday [24 May] in the Kazakh capital of Almaty.

The exchange of proposals was followed by an unplanned break caused by the fact the proposals of the Dushanbe delegation were not translated into English for Special Envoy of the United Nations Secretary General for inter-Tajik Settlement Ramiro Piriz Ballon who sponsors the negotiations.

Tajik First Vice-Premier and head of the Dushanbe delegation to the talks Mahmadsaid Ubaydullayev told an exclusive Interfax interview on Wednesday "our proposals correspond to the political realities of Tajikistan."

In his words, "there should be no doubts about the lawfulness of the Tajik Constitution and results of presidential and parliamentary elections."

In his turn, opposition delegation head Akbar Turadzhonzoda told an exclusive Interfax interview today "there have been no considerable changes" at the Almaty round of inter-Tajik talks.

He said that the opposition put forward proposals "well-known to the Tajik government. We propose to form a temporary interim government to be made by 40 percent of current representatives of the Dushanbe authorities, by 40 percent of opposition members and by 20 percent of ethnic minorities. The government should be headed by a neutral person on agreement of the sides."

Fourth Round of Inter-Tajik Talks Suspended

LD2405185095 Moscow INTERFAX in English 1737 GMT 24 May 95

[FBIS Transcribed Text] DUSHANBE, May 24 (Interfax) — The fourth round of inter-Tajik talks in Almaty was suspended on the request of the parties and will be renewed on May 25, the UN Secretary General's Special Envoy Ramiro Piriz Ballion told journalists today.

He said the delegations of the Tajik government and the opposition were now examining the proposals of the parties on Tajikistan's constitutional system. The UN envoy voiced the hope that Dushanbe and the opposition would be capable of "commenting on the proposals of the opponents" and the talks would be continued.

He said Dushanbe was unwilling to review the present status quo. The Tajik government's delegation considers the problems on parliamentary and presidential elections and adoption of the Constitution as settled problems which could not be reviewed. The UN envoy said that nevertheless the Dushanbe delegation did not refuse to discuss the problems at the talks.

Ramiro Piriz Ballion said he hoped that during the present talks Dushanbe and the opposition would extend the ceasefire agreement.

Futher Opposition Figures To Join Talks

LD2505090395 (Clandestine) Voice of Free Tajikistan in Tajik 0600 GMT 25 May 95

[FBIS Translated Text] A number of opposition supporters are due to fly to Almaty from Dushanbe to participate in the talks. They are: Jamoliddin Mahmudov, a representative from the joint cease-fire observer commission in Tajikistan; Chinnigul Karimova, a representative of the Democratic Party of Tajikistan; and Asliddin Sohibnazarov, a member of the chairmanship of this party. However, the latter will not take part in the talks and is traveling to Almaty only to meet Professor Turajonzoda.

It was proposed that Chinnigul Karimova and Komil Sharif participate in the talks on behalf of the Democratic Party of Tajikistan, and their request was accepted by the opposition leadership.

Two more members, Professor Mirbobo Mirrahim and Said Ibrohim Gado, are also to join the opposition's negotiating delegation and are due to go to Almaty from Tehran.

Dushanbe Rejects Coalition Government Proposal

LD2505111595 Moscow INTERFAX in English 0945 GMT 25 May 95

[FBIS Transcribed Text] ALMATY, May 25 (Interfax) - The delegation of official Dushanbe rejected during the fourth round of inter-Tajik talks in Almaty on Thursday [25 May] the opposition's proposal to announce a transitional period in Tajikistan to set up a provisional coalition government.

Earlier, Akbar Turadzhonzoda, the leader of the opposition delegation, told Interfax that the provisional government should consist 40 percent of representatives of the current Dushanbe leadership, 40 percent representatives of the opposition and 20 percent representatives of national minorities. "It should be led by a neutral person, agreed to by both sides," believes the opposition representative.

Commenting on the situation at the talks, Turadzhonzoda said that "there is no progress today at the talks."

It is expected that later in the day on May 25, special envoy of UN Secretary General Ramiro Piriz Ballon will hold separate consultations with representatives of the two sides to find common ground for further dialogue.

Armenia

Guarantees, Mission From OSCE Needed Before Talks Resume

LD2405192795 Moscow INTERFAX in English 1847 GMT 24 May 95

[From the "Presidential Bulletin" feature: No 96 (840); compiled by Nikolay Zherebtsov, Andrey Petrovskiy; edited by Vladimir Shishlin]

[FBIS Transcribed Text] Armenian President Levon Ter-Petrosyan's spokesman Levon Zarubyan told Interfax he was "not ready yet" to comment on a recent decision by Yerevan to halt its participation in talks on the Nagorno-Karabakh issue.

Armenia's government announced the decision last Monday.

The country's Foreign Ministry said in a statement the reason for Yerevan's withdrawal from the talks, which are overseen by the Minsk Group of the Organization for Security and Cooperation in Europe (OSCE), was a bombing that last Sunday put out of service a pipeline that delivers natural gas to Armenia. The blast occurred in the Marneuli District of neighboring Georgia, the ministry said.

It claimed the bomb had been planted by "agents of the government of Azerbaijan." Such agents "have repeatedly committed such terrorist acts, as a result of which the economy of Armenia has suffered tremendous losses," the statement said.

Armenia "expects adequate guarantees from the OSCE and the international community of cessation by Azerbaijan of its grave violations of the truce and international terrorist activity," the document said.

Yerevan will not resume talks unless such guarantees are provided, the ministry warned.

Asked by Interfax what specifically such guarantees should be, an Armenian diplomat who asked not to be named said his government would only announce that if the OSCE sent a special mission to the region. IF Note: Azerbaijani Foreign Minister Gasan Gasanov on Wednesday qualified Armenia's suspension of talks as "an attempt by Yerevan to wreck the political process of settlement and the implementation of the decisions of the Budapest summit of the OSCE on Nagorno-Karabakh." Hasanov denied to Interfax that the bombing had been engineered by Azerbaijan. "The bombing was carried out by Armenians who are using it as an argument in the political struggle amid increasingly acute contradictions between President Levon Ter-Petrosyan and the suspended opposition party Dashnaktsutyun," the minister alleged.

Foreign Minister Starts Visit to U.S., European Capitals

NC2405205795 Yerevan Armenia's Radio First Program Network in Armenian 1700 GMT 24 May 95

[FBIS Translated Text] Armenian Foreign Minister Vahan Papazyan left for the United States on 24 May. According to the Foreign Ministry press service, he will meet with high-level officials in Washington [words indistinct] and will take part in the inauguration of Armenia's new embassy building in the United States.

The Armenian foreign minister will arrive in Paris on 28 May, where he will hold a series of talks at the French Foreign Ministry and will take part in the inauguration of Armenia's new embassy building in France.

Vahan Papazyan will then participate in the foreign ministers meeting of NATO Cooperation Council countries [name of city indistinct] in Netherlands on 30 May.

The Armenian foreign minister's meeting at the European Commission and European Parliament are expected to be held in the Belgian capital of Brussels on 1 June.

German Delegation Arrives; Aid Agreements To Be Signed

NC2405151595 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0841 GMT 24 May 95

[FBIS Transcribed Text] Yerevan ("HAYASTANI HANRAPETUTYUN" daily), 05/24/95 — A German Governmental delegation arrived, headed by Federal Minister on Economic Collaboration and Development, member of Bundestag Carl-Dieter Spranger.

The goal of the visit is to get acquainted with the economic situation in the Republic and to discuss an aid program by Germany.

RA [Republic of Armenia] Deputy Minister of Economy Armenak Darbinyan said that two agreements will be signed with the German side on May 25, concerning provision of aid to refugees and deported people (about DM 5 mln. worth) and concerning provision of technical aid.

Commentator Scores Government Conduct

954F2302A Yerevan GOLOS ARMENII in Russian 9 May 95 pp 1-2

[Article by Marina Grigoryan under the "Parliament" rubric: "1. The President Is Always Right. 2. If the President Is Not Right, See Point No. 1. Passions Over the Constitution in Light of Pre-Election Fever"]

[FBIS Translated Text] Last week was marked by a new spiral of tension in the election race, which is coming into the home stretch. The fifth day of July, like a magnet, is riveting to itself all of the affairs and plans of an absolute majority of deputies to the last Supreme Council, who do not conceal their inmost hopes of being elected to the first National Assembly. And since, at the wish of those in power, the constitutional process has turned out to be closely linked to the election campaign, it is not difficult to predict a further exacerbation of the situation, and not by the day, but by the hour.

Alas, what is in normal countries a perfectly natural and logical process in our deformed society takes on corresponding ugly forms. Having thrown off, once and for all, any kind of democratic lisping, the ruling elite does not conceal its intention at any price to remain at the helm of power. And the word "helm" in the present instance reflects better than anything else the essence and goal of this struggle, while the term "rudder of power" assumes, aside from everything else, a certain responsibility of the helmsman.

In our situation, it is simply senseless to talk about any moral categories, since even elementary external decencies are not observed. Even such a sacred thing for any self-respecting people as the country's constitution turns out to be only a trump card in the political festive gatherings. And four days of parliamentary hearings on the Basic Law have demonstrated that yet again, a play is being performed with a script written in advance, in which the roles and words and ending, which is also pre-decided, have long been known. It is no secret from anyone that the 123 votes necessary for the adoption of the decision are for the AOD [Armenian Pannational Movement] not a problem today, and it is also understood that if some kind of changes are in fact introduced into the draft, then they will be only of a cosmetic nature (incidentally, there are in the text several truly absurd points, which were, most likely, intended in advance for future "compromises").

Realizing all of this full well, the opposition nevertheless did not decide to ignore the discussion. First of all, the authorities would not have failed to loudly announce to the people that the opposition did not desire the adoption of the Constitution. Secondly, the television broadcasts of the parliamentary debates were a marvelous pre-election rostrum for the deputies, of which both sides, without any particular diffidence, took full advantage. In many of the speeches, discussion of the proposed draft itself was practically lacking, or it amounted to phrases like, "I completely support the draft, although I believe that it would not hurt to change a couple of the points slightly."

Sometimes one got the impression that the deputy was not well acquainted with the draft and was supporting it only from party (and in individual cases, family) biases. Emotional calls to the people not to fall for insinuations and not to give their votes to the opposition comprised in such cases the basic theme of the speech.

Why has the adoption of the Constitution become so closely linked with the parliamentary elections? It is useless to seek a logical explanation for this—it is justified perhaps only by an economizing of resources for the conduct of the second plebiscite. It is perfectly clear, however, that the calculations here are primarily of a political character. For 5 July is an interim, but very important, maybe a decisive, demarcation in the future presidential elections. There is no doubt that Levon Ter-Petrosyan is preparing first of all for his own re-election and is striving in advance to secure his rear. Of course, the success of the AOD at the elections would, to a significant degree, guarantee him future victory. The AOD itself, however, has no particular guarantees today—it is no accident that absolutely all, including coercive, methods of struggle are being brought into play. The draft proposed by the constitutional commission, being submitted to a referendum and adopted as the Basic Law, truly, as many deputies have noted, only legitimizes the present situation and makes the president practically invulnerable. If the elections fail to go in accordance with the AOD scenario, and the opposition receives the majority or at least half of the positions in the National Assembly, the president will always have in reserve this highest trump card—the Constitution.

After all, one of its theses gives the president the right to simply disperse the National Assembly and become, essentially, monarch—seeing that there is no dearth of examples from the former CIS [as published], and the laurels of the leaders of the Central Asian republics are capable of disturbing the peace of even the most democratic of presidents. If one bears in mind that the draft grants the president very broad powers also in the area of the use of the armed forces, then it will become perfectly clear why the question of the Constitution today is perhaps even more important for the authorities than the upcoming elections.

If one disengages from vital problems, there is no doubt that we are talking about the further path of development for Armenia. It is not at all fortuitous that two words were heard most often in the discussions: "democracy" and "dictatorship." But, as could have been expected, each of the sides treated them in their own way. The opposition deputies asserted that the adoption of the Constitution in such a form is a direct route to the consolidation of the dictatorship of a single, solitary man—the president. In conditions of his unlimited rights and powers, we can speak neither of the equal rights of the branches of power (it is enough to say that parliament is curtailed in its rights even in its "holy of holies"—in questions of the budget) nor of the formation of democratic institutions. And fairly convincing arguments were adduced, with reference to world experience. The objections of the draft's advocates were frankly unsubstantiated and boiled down to demagogic assertions like "A strong authority does not signify a dictatorship," "Dictatorship does not threaten Armenia," "The country needs a Constitution, and the people know this perfectly well." A former dissident went so far as to declare: "In order not to allow a dictatorship, it is necessary to approve this draft Constitution."

So, to a great extent, the broadcasting of the debates turned out to be useful not at all in the area of "explaining the essence of the Constitution to the people," but in the personal area—in the area of the upcoming elections. As for the Constitution, there is one very simple method of clarifying one's position for oneself, without the aid of the people's elected representatives: Take and read the draft. I assure you, there is nothing complicated in its basic theses. It was by no means fortuitous that one of the deputies observed that, in essence, the content [word illegible] amounts to two points: 1. The president is always right. 2. If the president is not right, see point No. 1.

Election Candidate Lists Submitted

954F2331A Yerevan RESPUBLIKA ARMENIYA in Russian 13 May 95 p 1

[NOYAN TAPAN report: "Party Lists Ready..."]

[FBIS Translated Text] The Central Election Commission has completed the acceptance of party lists from the 22 political organizations and blocs which intend to take part in the elections to the National Assembly by the proportional system. Here are details of certain organizations.

The National Progress social and political organization (11 persons on the list altogether): Albert Bagdasaryan, Vardan Zurnachyan, Edik Dzhaginyan (all three are deputies of the Supreme Council);

National Democratic Union (55 persons on the list altogether): Vazgen Manukyan (former prime minister and former minister of defense), Arshak Sadoyan, and David Vardanyan (they head the parliamentary commissions for local government and foreign affairs respectively);

National Self-Determination—Christian Democrats association (65 persons on the list): Paruyr Ayrikyan (deputy of the Supreme Council of the Republic of Armenia and former political prisoner) and his young organization colleagues Aramazd Zakaryan and Nerses Zeynalvandyan;

The National Union-Dashnaktsutyun bloc (37 persons on the list): Grant Khachatryan (deputy of the Supreme Council of the Republic of Armenia and chairman of the Constitutional Law Union), Igor Muradyan (deputy of the Supreme Council of the Republic of Armenia and chairman of the Zharang social and political organization), and Razmik Davoyan (poet and chairman of the Armenian Writers Union, who represents the Intelligentsia Union also);

Scientific-Industrial and Civic Union (entire list of 31 persons): Rafael Kazaryan (academician and chairman of the parliamentary Commission for Science, Education, Language, and Culture), Suren Zolyan (professor and secretary of the parliamentary Commission for Artsakh), and Ashot Manucharyan (former chief presidential national security adviser);

Ramkavar-Azatakan of Armenia Party (40 persons on the list): Ruben Mirzakhanyan (chairman of the party board), Rafik Petrosyan (deputy of the Supreme Council of the Republic of Armenia and doctor of legal sciences), and Frunze Dovlatyan (well-known film director);

Communist Party (entire list of 40 persons): Sergey Badalyan, Vladimir Darbinyan (first and second secretaries of the Central Committee), and Leonid Akopyan (deputy of the Supreme Council of the Republic of Armenia);

The Republic bloc (222 persons on the list): Babken Ararktsyan (present speaker of the Supreme Council of the Armenia), [name illegible] Lazaryan, chairman of the board of the Armenian National Movement, and Minister of State Vazgen Sarkisyan.

The elections to the parliament (National Assembly) of Armenia will take place on 5 July. The National Assembly will have 190 deputies, 40 of whom are to be elected by party list.

Candidate List Secrecy Scored

954F2328A Yerevan VREMYA in Russian 13 May 95 p 1

[Article by Artem Yerkanyan under the "Elections" rubric: "Are the AOD and the Military Indivisible?"]

[FBIS Translated Text] Lists of candidates for deputies from the parties that intend to participate in the elections under the proportional system have long been submitted to the Central Electoral Commission [CEC]. Nobody had any intention of making the party teams' composition a secret. Nobody except....

To a VREMYA correspondent's request to make available the listing order of names on the lists, a senior CEC official said that the law on elections does not contain a provision obliging him to disclose information on who precisely is running for the parliament from the parties. He also said that the nondisclosure request had come from the parties themselves. Which parties precisely is not hard to guess, since the newspaper staff member did received no response to his question only from headquarters of the Respublika bloc's parties (AOD [Armenian Pannational Movement] and others).

The purpose of the Respublika bloc's attempt to keep the composition of the candidate team a secret is unclear. If the purpose is to keep the list secret from the competition, it absolutely does not make any sense, since many opposition parties have representatives in the CEC. Commission members certainly have access to the list. If, on the other hand, the "right wing" tries to keep the names of its candidates secret from the voters, limiting itself to publishing in the press the top three names on the election ballot, in addition to being ineffective, this measure is fraught with consequences extremely undesirable for the ruling party. Can elections be considered democratic if the voters do not know whom they are voting for?

It is probably unadvisable for the AOD to aggravate the already unfavorable background of its own election campaign. Besides, "informed sources" are always willing to bring to the people through unofficial channels information of interest to them. Keeping this in mind, one may assume that the secrecy surrounding the list is of a temporary nature and is directly linked to the draft of the country's fundamental law currently being discussed in the parliament. It is hard to figure out how exactly publishing the Respublika list could affect the course of discussions. Quite possibly, the ruling party simply decided to leave the question of some of its members' participation in the elections open to the last moment. Whether they would go on a ballot or not probably depended on the success of the presidential draft of the constitution. Most likely the ban on information regarding the team's composition was imposed with the purpose of concealing from the public a score of candidate withdrawals possibly following unforeseen circumstances that could emerge in the course of discussing the draft of the constitution.

Meanwhile, it did not take much effort for journalists to find out the names of the "first team" players. Everything on the list is logical. Including the fact that the parliament speaker tops the list, that several ministers and state ministers are included on it, and that there was no place for the leaders of partner parties in the top five slots. But the most noteworthy fact is that the third name on the list (after AOD Council Chairman Ter-Usik Lazaryan) is that of Minister of Defense Vazgen Sarkisyan, who by his participation in the election campaign symbolizes the unity of the military and the ruling party.

So far, the state minister's decision to run has not been backed up by his "abdicating" his current position, as required by the constitutional law adopted in March, which stipulates that it is impermissible for enforcement structures' representatives to run in elections. It will not be difficult at all to comply with this formality. The draft of the constitution—and few doubt that it will be approved at the referendum—does not envisage the institution of state ministers. Hence, from the "rampart" one can safely give up the "hot" portfolio. It is naive to assume, however, that Sarkisyan—along with, actually, many other members of the government on the rightist bloc's ballot—would prefer a mandate over a new portfolio. More likely, his figure is needed in the elections as a symbol exerting a psychological effect. And therefore immediately after the elections he will follow the example of some of his colleagues and withdraw, giving up his seat to the party "comrade" after him on the list, and settle for a seat in the revamped cabinet of ministers.

In proportional elections, 10-15 seats will ensure a "passing grade" for Respublika. The top and bottom five names on the list are those of AOD members. Which means that each of the five partner parties is willing to settle for one mandate (on the assumption that none of the top 15 candidates withdraw and do not win in district elections). As a way of making up for this, the AOD probably will surrender to its allies the districts, where elections will be held on the majority principle and where winning will probably be easier for the Republicans, Christian Democrats, or Liberals than for the ruling party. The slots on the list, on the other hand, are being reserved for such figures as Eduard Yegoryan and Ara Saakyan (fourth and fifth on the list), whose prospects for being elected in districts are very questionable.

Actually, this is not keeping odious AOD figures from nominating themselves in the districts—sometimes in rather difficult ones. In one such district a candidate's authorized representative collecting signatures for the nomination of Babken Ararktsyan was roughed up a couple of days ago. Voters have become very rude these days....

Party Official Predicts Referendum Defeat

954F2330A Yerevan VREMYA in Russian 17 May 95 p 1

[Interview with Deputy Shavarsh Kocharyan, member of the board of the National Democratic Union, by Artem Yerkanyan; place and date not given: "'I Am Sure That the People Will Say "No" to Such a Constitution'"]

[FBIS Translated Text] [Yerkanyan] You once said that if five political scientists had set about writing a book of what the country's basic law should not be like, the document described would be very similar to the draft constitution which has been approved by our parliament and which is being put to a referendum.

[Kocharyan] It is not hard to substantiate my claim. Let us take if only the section on human rights. At first sight, very democratic wording. But attention should be focused on Articles 44 and 45. The president is authorized in the event of certain emergencies to adopt measures limiting, to put it mildly, the freedom of the citizens declared in other articles of the section. The draft constitution in fact endows the head of state with the right to take away rights. This authority was enshrined in the very first version of the draft also. So I may affirm that we are dealing not with an oversight but with a purposive limitation of human rights.

The structure of judicial power established by the draft represents a pyramid, at the head of which stands the president. The president unanimously appoints the justices, replaces them, imposes penalties, and takes away immunity. The same applies to the system of arms of the Public Prosecutor's Office. Thus the third branch of power—judicial—is fully controlled by the head of state, and there can be no question of its independence.

Local government is practically absent from the draft constitution. The basic law proposes the establishment of a new form of government locally. The institution of prefects, who will be appointed by the president personally, will be introduced. The administrative-territorial arrangement makes provision for the country's division into several provinces (marzy), at the level of which there will be no representative authorities whatever. The prefect (marzlan) will form his own team—something akin to a provincial government. No account of the opinion of the inhabitants of the region will be taken in the formation of this government.

[Yerkanyan] Excuse me, but the draft constitution contains a provision concerning community councils elected by the inhabitants of the region. It is to them that the powers of local authorities will be entrusted.

[Kocharyan] The powers of the community councils are extremely limited. In addition, the chairman of a community council may be replaced and a new one appointed by the decision of the prefect. That is, once again a pyramid system directed by the president is created.

The system of the executive is based on that same pyramid also. The cabinet is appointed individually by the president. The mechanism of formation of the cabinet and the structure and procedure of its activity are totally unregulated—there will be no law on government as such. The sole thing that has been won is parliament's right to express no confidence in the government. But not all is clear here either. There is no restriction on the president in his right to appoint a new cabinet, which would differ from the previous one merely by a new holder of a ministerial portfolio.

The immense sphinx guarding the three pyramids is opposed by a parliament, the limited nature of whose functions make it, in fact, merely a symbol. The National Assembly is deprived not only of control functions. The range of parliament's legislative powers is extremely constricted also. This is easily demonstrated in the example of the mechanism of approval of the budget. Amendments to the proposed draft budget may be submitted only in the event of the government not objecting to this. Also reserved to the government is the right to determine the priority of bills: the cabinet may establish the order of priority and the timeframe of parliament's adoption of laws. The government is endowed with the right to propose ready-made draft laws, amendments to which may be adopted once again only with the consent of the government. In practice, the legislative body is being made the medium of ratification of laws ordered by the executive.

[Yerkanyan] The draft constitution endows parliament with the authority to impeach a president abusing his overriding rights. This is something, for all that.

[Kocharyan] The check is entirely disproportionate. A signature on a presidential edict is sufficient to dissolve parliament. Such an edict could appear totally out of the blue. No explanations or arguments are required from the head of state. The mechanism of impeachment of the president on the part of parliament, on the other hand, is so complicated that his removal from office would seem practically impossible.

I shall demonstrate this with an example. Let us assume that the 10th, 17th, or 46th president of the republic has committed a serious crime—raped a child, say. In order to strip a president of office and indict him, parliament has to express no confidence in him. After this, the case is heard in the Constitutional Court, four of the nine members of which are appointed by the president himself. The Constitutional Court has by a two-thirds vote to adopt a decision deeming the impeachment declared by parliament well- founded. Note that six justices, at a minimum, have to vote "aye." Judge for yourself, is this possible if almost half the members of the Constitutional Court are the president's people. Let us assume that even such a miracle were to occur. After this, the matter would be returned once again for consideration by the National Assembly, which now has to uphold by necessary majority its decision adopted earlier by simple majority. And all this when it is obvious to everyone that the head of state is a criminal.

[Yerkanyan] The member of the Constitutional Commission who presented the document to parliament maintained that the final version is far more democratic than the original and that it takes account of all the meritorious ideas contained in the draft defended by the opposition. We can imagine what the original was like....

[Kocharyan] I may boldly maintain that the draft basic law put to a referendum by parliament is in all respects worse than that which was discussed in the Constitutional Commission two years ago. As distinct from the final version, the original does not prohibit dual citizenship, does not enshrine the right to deprive people of citizenship and expel them from the country or the authority to adopt special measures infringing human rights....

[Yerkanyan] The argument of the supporters of the president's draft amounts approximately to the following: "No, the document is not, possibly, ideal. But there is nothing to stop amendments being made to it as we go along." Yet, as far as I know, the mechanism of amendments and addenda that has been approved by parliament is very complex....

[Kocharyan] To say the least. A decision of parliament is needed to settle a question of amendments. If the president objects, which, I believe, is obvious, the National Assembly has to muster a two-thirds vote in favor of a referendum on the expediency of the amendments.

[Yerkanyan] With what does the opposition intend to counter the ruling party's resolve to have the draft constitution approved at the referendum?

[Kocharyan] We will strive by all legitimate means to ensure that the draft not be approved. I personally am sure that the draft constitution will not pass. The people will say "no" to such a constitution.

[Yerkanyan] So will you call for a "no" or will you, for all that, propose a boycott of the referendum in order to prevent the 30 percent quorum specified in the law being mustered?

[Kocharyan] A mass "no" would make the referendum on the issue of the constitution a plebiscite on confidence in the authorities. Boycotting the referendum is dangerous since the ballots might very well be used by people other than those for whom they are intended. Nor should it be forgotten that the Armenian National Movement has a majority of votes on the Central Election Commission.

Leader Outlines Republican Party Goals

954F2334A Yerevan RESPUBLIKA ARMENIYA in Russian 19 May 95 p 2

[Interview with Ashot Navasardyan, leader of the Republican Party, by RESPUBLIKA ARMENIYA correspondent Ashot Mkhitaryan; on 11 May 1995; place not given: "The People Will Show a Preference for Realists"]

[FBIS Translated Text] [Mkhitaryan] Mr. Navasardyan, tell us, please, in what year was your party founded, how many members does it have, and does it have branches overseas and in areas of Armenia?

[Navasardyan] The Republican Party of Armenia was founded on 2 April 1990. Many of its founders were members of the United National Party, which had operated clandestinely since the 1960's. We take its ideals and programs as a basis to some extent. As of today there are 2,000 members in our party's ranks. This number fluctuates constantly, of course. The point being that there were among the members of the party many volunteers defending the borders. When the period of confusion and hesitation came to an end, some of them joined the ranks of the National Army, others arrived.

[Mkhitaryan] What are the main political and ideological principles professed by the Republican Party?

[Navasardyan] The teachings created by Garegin [name illegible] and his associates in the 1930's—tsegakronism and taronism—are the main ideology of our party. Our ideal is the creation throughout our motherland of a state creating the conditions for the unity and prosperity of the Armenian people and endeavoring to occupy a worthy place among other peoples and states. In addition, we are supporters of a preservation of the traditionalism, spiritual values, and the gene pool of the nation. Economically, we are opposed to extreme liberalism. Since we believe that the state should retain certain levers in order, if necessary, to have the possibility of the prerogative of the pursuit of an official policy in the economy. We completely reject socialism, but believe that social problems should be at the center of the attention of the state. Although globally we ideologize not the social but the national. And this is what is most important.

As far as our present positions are concerned, we are on the whole supporters of the basic strategic policy pursued by the present authorities.

[Mkhitaryan] With what do you agree and with what do you disagree in the new Election Act?

[Navasardyan] Our party has always been a supporter of a professional parliament numbering 100-120 deputies. I voted for such a version and regret that it failed.

[Mkhitaryan] For what reason?

[Navasardyan] The reason, in my opinion, is that there are in parliament too many nonprofessional deputies, and, wishing to be elected again to the National Assembly, they voted against professionalism. Whatever, a compromise version—what we have today—was found. I voted "for," otherwise, had the deputies caused this to fail also, the old election law would have remained. As far as the correlation of majority voting and party lists are concerned, I believe that everyone should be accorded equal opportunities, 50:50, that is.

What I do agree with is the removal of the quorum. It is entirely unnecessary to force the whole people to go to the polls. There are people who are indifferent to politics and have no desire to take part. From some viewpoint this—forcing a person to do something against his will—is even a violation of human rights. It is enough if a person conscientiously pays his taxes.

[Mkhitaryan] Based on all that has been said, what will the elections be like, in your view: Are police-controlled elections, as some people are saying, objective?

[Navasardyan] Our society has yet to acquire such deep democratic traditions that elections might be held irreproachably objectively. We must endeavor to be objective, and I nurture the hope that many think the same way I do. I do not believe that the police will pick up automatic weapons and conduct the elections beneath the barrel of a gun. Although, naturally, there will be some pressure on the part of the authorities, as on the part of the opposition also, for that matter.

[Mkhitaryan] Will the ruling party retain its majority?

[Navasardyan] Undoubtedly. I shall try to differentiate between the objective and subjective factors of my assertion. It is natural that with the situation that has taken shape in Armenia in recent years, any authorities would be the target of attacks and general dissatisfaction. The economy is being destroyed, spiritual reference points have been lost, expectations are not destined to be realized. These are the objective reasons. Nonetheless, the opponents of the ruling party are incapable of presenting a better program, their programs are full of populism and are unrealistic. It seems to me in this situation that the people will show preference for realists.

[Mkhitaryan] Will the Republican Party head into the elections in a bloc or independently?

[Navasardyan] The party will go into them in the Republic bloc, which is composed also of the Armenian Pannational Movement, the Christian Democratic Union, the Liberal Democratic Party, the Intellectual Armenia Union, and others.

[Mkhitaryan] And the final question: your attitude toward the Dashnaks and the communists and an evaluation of their actions closer to the elections.

[Navasardyan] It seems to me that the platforms of these parties are in the socioeconomic aspect very similar. The difference here is that the communists have had the practical embodiment of their ideas, the Dashnaks have not. And whereas the communists have to redetermine their position, the Dashnaks need merely to determine theirs.

Sargsyan Appointment Reactions Noted

954F2333A Yerevan RESPUBLIKA ARMENIYA in Russian 19 May 95 p 1

[Edicts of the Armenian Republic president and report by the RESPUBLIKA ARMENIYA news division: "Resignation: New Chief at National Security"]

[FBIS Translated Text]

Edict of the Armenian Republic President on the Appointment of S.A. Sargsyan as Chief of the State National Security Directorate of the Republic of Armenia

To appoint Serzhik Azatovich Sargsyan chief of the State National Security Directorate of the Republic of Armenia.

[Signed] President of the Republic of Armenia L. Ter-Petrosyan
17 May 1995, Yerevan

Edict of the Armenian Republic President Entrusting the Responsibilities of Minister of Defense of the Republic of Armenia to M.A. Arutyunyan

To entrust the responsibilities of minister of defense of the Republic of Armenia to Major General Mikhail Arutyunovich Arutyunyan, first deputy minister of defense of the Republic of Armenia and chief of the General Staff of the Armed Forces.

[Signed] President of the Republic of Armenia L. Ter-Petrosyan
17 May 1995, Yerevan

Edict of the Armenian Republic President on the Discharge of D.G. Shakhnazaryan From His Position as Acting Chief of the State National Security Directorate of the Republic of Armenia

To discharge David Gurgenovich Shakhnazaryan from his position as acting chief of the State National Security Directorate of the Republic of Armenia in accordance with his request.

[Signed] President of the Republic of Armenia L. Ter-Petrosyan
17 May 1995, Yerevan

If the decision of David Shakhnazaryan, head of the Armenian Republic State National Security Directorate, to submit his request for resignation has not elicited an all-out scandal, it has at least caused a great commotion in political circles of the republic. As we know, President L. Ter-Petrosyan signed the edict on resignation 17 May. It is clear from commentaries appearing in the press the next day that many people are inclined to view this resignation as relating directly to the death of Artavazd Manukyan, arrested in December of last year in connection with the case involving the secret DRO structure. A. Manukyan died early in the morning hours of 17 May at the central prison hospital of the Ministry of Internal Affairs. According to a statement from the head of the special communications service of the Armenian Republic State National Security Directorate, however, the death of this individual under investigation has no connection whatsoever with the State National Security Directorate, insofar as he was there only from 28 February through 2 March, at which point he was transferred to a solitary confinement cell of the Ministry of Internal Affairs.

According to Acting Presidential Press Secretary Levon Zurabyan, Mr. Shakhnazaryan himself submitted his resignation request to the president, noting therein that continued tenure in this position would deprive him of the opportunity to participate in the parliamentary elections. At the same time, rumors have been circulating in political circles that the main reason for the resignation of the head of the State National Security Directorate involved a clarification of the authority of the State National Security Directorate, Ministry of Internal Affairs, and Ministry of Defense, and a division of their spheres of influence.

Yesterday the republic president spoke before deputies in the parliament, where stormy discussion of the recent events had taken place the day before, and presented them an explanation of the situation as it has unfolded.

We are awaiting details.

Shakhnazaryan's Loss of Position Examined

954F2351A Yerevan VREMYA in Russian 20 May 95 p 1

[Article by Artem Yerkanyan: "Back to His Own Portfolio?"]

[FBIS Translated Text] Few versions of the reason for the resignation of the chairman of the State National Security Administration remain. The majority of observers are inclined to the view that Shakhnazaryan "fell victim" not so much to grand policy as to petty ambitions. But....

As the president's man and dependent only on him, Shakhnazaryan represented a figure whose influence on the head of state could not have failed to have made some strong people in Ter-Petrosyan's entourage leery. Occupying the post that is traditionally considered the place of a gray cardinal, he was, perhaps, the sole person who was capable of representing if only some counterweight to Vazgen Sarkisyan, who controls the armed forces and the internal affairs authorities. The perfectly understandable desire of the latter to extend his control to the national security service also became "bogged down," it has to be assumed, in Shakhnazaryan's scrupulousness. The chairman of the GUNB (State National Security Administration) was unwilling to recognize above him the supremacy of a minister of state with the same tractability that had formerly been displayed by Vano Siradegyan.

Several provocative "measures" adopted against officers of the GUNB had incited retaliatory actions. The clash that occurred a couple of weeks ago between the security officers and the military on the grounds of the GUNB unit located in Sari-Tag and the conflict at the airport, which were not disclosed in the press, were the cause of an exacerbation of relations between the leaders of the two power structures. We may guess at the arguments that forced the president to agree to the minister of state's demand....

It is perfectly obvious that Shakhnazaryan's resignation will upset the balance of forces determining the president's policy. The head of state has always preferred to pit polar influences against one another, positioning himself in the middle. Ter-Petrosyan easily managed to maintain a balance both in the period of disagreements between the democratic and national branches in the Karabakh Committee and at the time of the contradictions between Vano Siradegyan and Ashot Manucharyan. Signing the edict on the dismissal of Shakhnazaryan, the president has demolished the pole counteracting the growing weight of authority of Sarkisyan, which has made him more dependent on the curator of the power structures.

There was another reason for Shakhnazaryan's removal also. As we all know, the draft constitution to be put to a referendum makes no provision for the office of minister of state. Vazgen Sarkisyan will hardly be attracted by parliamentary activity. Nor is work on the president's staff as an adviser a job for a figure of his level. Consequently, it is necessary to free up a place in the government worthy of such a politician. The portfolio of defense minister, with which Sarkisyan is very familiar, would do quite well, perhaps. But the question of the future of the holder of this portfolio required a very careful solution. The head of the military department cannot be offered the position of ambassador to Norway. Even less would he agree to be director of the Karabakh Silk Works. Considering on the one hand the ambitions of Serzh Sarkisyan and, on the other, his "dependability" and the personal relations between the namesakes, the desire of the minister of state to clear a deserving place for his associate is understandable.

Abrupt changes in the fortunes of David Shakhnazaryan are hardly to be expected. He will not become a second Ashot Manucharyan. He has no need of public sympathy as a "victim of tyranny." He has no intention of breaking with the president and of going into opposition. Contenting himself meanwhile with the position of ambassador at large, David Shakhnazaryan would probably prefer to wait for better times, when he is once again offered an office outside of the presidential palace. As far as the elucidation of the press spokesman of the head of state, who explained Shakhnazaryan's "resignation" by his intention to run for deputy of the National Assembly, is concerned, there is, perhaps, a grain of truth in what he said. It is merely, most likely, the causation which was distorted: The decision to run is the result of the loss of office, not the other way about.

The fact that Shakhnazaryan's name is not on the lists of candidates for deputy of the Armenian Pannational Movement confirms, at first glance, the surprise nature of his desire to join in the election struggle and, consequently, the surprise nature of his removal from office. Yet it should hardly be considered an accident that the presidential edict appeared on 17 May—eight days before the end of the time for the registration of candidates for deputy. The ex-chairman of the GUNB's grievance will easily be dispelled in the course of the election campaign. In addition, Shakhnazaryan's potential could prove very useful in parliament.

Nonetheless, the time chosen for the removal of the leader of the security service was not the best inasmuch as the date of the signing of the presidential edict coincided with the peak of the speculation surrounding the death in the MVD investigation cell of Artavazd Manukyan, who was suspected of involvement in political terrorism. To the question as to whether there is a link between these two events, the majority of observers are inclined to respond in the negative.

Ongoing Investigation of 'Dro' Organization Examined

954F2300A Yerevan GOLOS ARMENII in Russian 9 May 95 p 2

[Report by Armen Akopyan under the "Details" rubric: "The Case Against the ARFD: Investigators Are Willing To Use Any Means"]

[FBIS Translated Text] GOLOS ARMENII has already reported that members of the ARFD [Armenian Revolutionary Federation — Dashnaktsutyun] bureau Vaan Oganesyan were summoned on 5 May to the GUNB [city national security administration] for a confrontation with Arsen Artsruni—one of the people arrested in the case of the so-called secret organization Dro. We also learned that before the confrontation, V. Oganesyan had been questioned at the Procuracy of the Republic of Armenia.

Quoting the questioning, V. Oganesyan related the following: Allegedly, Arsen Artsruni, arrested back on 2 December 1994, five months later wrote a secret letter from the investigative detention facility (apparently addressed to his wife), in which he directed her to destroy a certain notebook kept in the basement of his house and undiscovered by anyone for five months. As could be expected, the investigators discovered this letter and, following the hot trail, found the notebook, and some explosives with it.

Vaan Oganesyan also learned that the notebook contains entries indicating that A. Artsruni at the time informed him of the murder of Ashot Nersesyan (a.k.a. Kerob, mentioned in L. Petrosyan's speech on 28 December 1994). In addition, A. Artsruni testified that Dashnaktsutyun bureau member V. Oganesyan knew of the Dro organization, and so on.

In the testimony to the investigation, V. Oganesyan rejected A. Artsruni's testimony as untrue. The investigators also delivered to V. Oganesyan the notorious notebook, the writing in which, in his opinion, appeared to be in fresh ink. By the way, the door to the basement where this long-awaited notebook allegedly had been kept, to this day is covered with cobwebs—an indicator that nobody had entered it for a long time.

Much is unclear in this whole dubious story about the notebook and the letter. Among other things: What suddenly made A. Artsruni remember some notebook that had been sitting there, unknown to anyone, for five months?

To V. Oganesyan, of all people, the answer became clear as soon as he saw A. Artsruni at the confrontation in the GUNB. The answer was "written" on the arrested man's face—there were beating marks under his eye and on his forehead.

According to V. Oganesyan, Artsruni had been beaten twice lately—on 24 and 25 April. By the way, Artsruni's attorney demanded a forensic evaluation, which was in fact conducted... seven or eight days later and during which the medical examiner recorded that there had been no beatings.... According to V. Oganesyan, however (although he is not a medical practitioner and may be mistaken), judging by Artsruni's strained movements, he also had a broken rib....

Already during the confrontation, in the presence of witnesses and his attorney, Arsen Artsruni said that his testimony regarding V. Oganesyan had been untrue: He had not told anything either to V. Oganesyan or to any ARFD leaders about Ashot Nersesyan, DRO, and so on. He had lied. He had lied because he had been beaten (this particular statement was not included in the protocol) and, looking into V. Oganesyan's eyes, he said: "I leave the expense of my funeral to you, Comrade Vaan."

Do these words of Artsruni mean that the investigators had threatened him with death if he did not come through with compromising "testimony" against V. Oganesyan, Grant Margaryan, or some other members from the ARFD bureau or Central Committee? In V. Oganesyan's opinion—yes, it does.

For V. Oganesyan it is unequivocally clear: This testimony is being forced out of the accused in order to subsequently convict the party leadership. To this end, the investigation is using all means: beatings, threats, blackmail, and deceit.... Security people have no aversion to using anything.

In addition, Arsen Artsruni's testimony gives reason to believe that all previous testimony against Arsen himself, G. Margaryan, and others also had been obtained by illegal means. V. Oganesyan is very concerned over this fact, since he no longer entertains any hope that objective investigation in keeping with legal norms is possible in our country. All that is left is to demand, insist, and strive so that people should not be tortured and beaten in GUNB-KGB dungeons. All that is left is to demand rooting out this shameful practice.

Arsen Artsruni is a Lebanese citizen, an ARFD member. He came to Armenia of his own volition. He wanted to develop small and medium- sized business, and he opened a pizzeria—which, by the way, was burned down by racketeers.

V. Oganesyan said that the party never asked A. Artsruni to write any programs or texts. Of course, he could propose things at his own initiative, just like any Dashnaktsutyun member. By the way, these proposals could be considered or disregarded, approved or not, but the bureau did not task Artsruni with anything.

As to the notorious Dro organization, V. Oganesyan ruled out altogether a possibility of Dashnaktsutyun leadership creating such an organization. The point is that the forms and principles of ARFD activities simply preclude the possibility of creating such an organization, let alone keeping it a secret. For instance, during the first years of the Artsakh war (1989-1991), Dashnaktsutyun set up a "special office," which was engaged in attracting volunteers and supplying them with ammunition, food, and clothing. Well, half of Yerevan—those who were not indifferent to the fate of Artsakh— knew of this ostensibly secret office.

At the party's instruction, this undertaking was supervised by Grant Margaryan (he is currently also under arrest) and Gagik Saakyan. In 1992, after the opening of the Lachin corridor, the ARFD bureau made a decision not to create on the territory of Armenia any military formations. As to the detachments created in Artsakh, it was decided to combine them all into one formation, which became part of the NKR [Nagorno-Karabakh Republic] army, fully subordinated to its supreme command.

From then on, the aforementioned office was only engaged in finding new volunteers for reinforcement and rotation of soldiers at the front, helping them with food and clothing, since it considered itself morally obligated to the men who had responded in those times, which were so difficult for the ARFD—1989-1991.

Let us go back to Artsruni case, however.

First, according to V. Oganesyan, any information could be loaded into the computers Artsruni was using—both directly and from diskettes, even if the computer is sealed. This is confirmed by the results of an expert evaluation. Of course, the ability to do so does not yet prove the commission of an act [words illegible] does cast doubt on computer texts produced by the investigation as incontrovertible proof—by the way, widely publicized by the official media (the newspaper HAYASTANI HANRAPETUTYUN). In turn, Arsen Artsruni's wife Shagik, in an interview to Radio Liberty, said that the number of confiscated diskettes was 256, not 500.

On 28 December, during a search in Vaan Oganesyan's apartment, five diskettes were confiscated, which contained a geography course in Armenian and English for Oganesyan's son. But diskettes are uncomplicated items. One can erase the information and load new, depending on who confiscated them, and for what purpose.... There should be no doubt in this respect, especially considering that the investigation does not shrink from any methods. (V. Oganesyan is almost certain that the aforementioned notebook had been recently created in the GUNB basement).

Neither should one any longer doubt that the authorities—or, to be precise, those in power—have set for themselves a concrete task: to temporarily suspend, compromise, and then completely ban the activities of the Dashnaktsutyun party. Again, in V. Oganesyan's opinion, the trial of the Dro case most likely will take place before 13 July—that is, before the deadline for temporary suspension of ARFD activities expires.

And when the date is known, and there is a deadline and a goal, one has necessarily to meet the deadline. Especially if this is demanded, as is most likely, from higher up. That is why all means are being used: intimidation, beatings, harassment of attorneys, lies, slander, blackmail, torture of the arrested, and such.

Does the public, that is, all of us, have the moral right to look the other way during this feast amidst the plague? Although.... As is already obvious, we, the Armenians, are a patient people and demonstrate an amazing adaptability to any situation. Perhaps we have not gotten tired of the authorities' impunity, and even like it?

Meanwhile, as we all remain silent, the rush to cook up a case against Dashnaktsutyun continues. Beatings and torture of those arrested in the cases of Dro and Ambartsun Galstyan's murder— yesterday's azatamartiks [as transliterated], today's political prisoners—continue.

Azerbaijan

Further Reaction to Armenian Pipeline Explosion

Aliyev Objects to Armenian Statement

NC2405210195 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 22 May 95

[FBIS Translated Text] President Geydar Aliyev today received the representatives of the international social democratic movement. Garanfil Khalilova reports:

[Begin Khalilova recording] German Bundestag deputy Mr. Schperling and Swedish parliament deputy Mr. (?Kingsaar) thanked Azerbaijani President Geydar Aliyev for having taken a humanistic step in response to the appeal of the international organization for the release of the prisoners and hostages on the occasion of the first anniversary of the cease-fire between Armenia and Azerbaijan.

Mr. Schperling said that he was pleased with Germany's participation in the Caspian Oil-Gas-95 Exhibition and that his country is interested in broadening cooperation with Azerbaijan.

In stressing the activities of the Swedish diplomat Ian Eliason, who chaired the OSCE Minsk group for the peaceful resolution of the Armenia-Azerbaijan conflict, Mr. (Kingsaar) specifically noted the role played by the member countries of the Helsinki Group, including that of Sweden, in the consolidation of the interstate relations.

The representatives of the social democratic movement spoke on the worldwide activity of this organization and noted that Arzu Abdullayeva, chairman of the Azerbaijani national committee of Helsinki Civil Assembly, and her counterpart in Yerevan have been found worthy of the Olof Palme award and that they have been invited to the Olof Palme days to be held in Stockholm next month. They stressed that they see this as the success of the people's diplomacy.

Azerbaijani President Geydar Aliyev said that he highly assesses the activity of the social democratic movement, that he was closely acquainted with the activities of Socialist International once headed by former German Chancellor Willy Brandt, and that he is aware that this organization is inclined to get involved in philanthropic work. He said that during his meeting with current German Chancellor Helmut Kohl in Moscow, he made an initiative to develop the ties with this powerful state on a new foundation and hoped that the social democrats will not spare efforts to contribute to the cooperation between the countries.

He also spoke on his productive talks with the Swedish diplomats and on the peacemaking activity of Ian Eliason.

President Geydar Aliyev indicated that while our Republic remains true to its position to peacefully settle the Armenian-Azerbaijani conflict, the other side still maintains its aggressive position. He expressed his objection to Armenia's statement blaming Azerbaijan for the bombing of the gas pipeline passing through Georgia. He indicated that this is totally unfounded. He said that Azerbaijan cannot be expected to account for the incidents that take place in Georgia and that the area where the explosion took place is inhabited by Georgians, Azerbaijanis, and Armenians. The nationality and citizenship of those who carried out the bombing should have been ascertained before issuing a statement.

The president suggested that the members of the prodemocracy movement visit the tent cities to get some idea of the tragedies committed by Armenia in Azerbaijan, get acquainted with the sorrow of the Azerbaijanis who have been turned into refugees in their own country, and assess all the developments on the basis of universal human principles. They should also not ignore the fact that no one in Armenia and Nagorno-Karabakh is living in a tent city. There is always a place for democracy and democrats in Azerbaijan, where political pluralism and freedom of speech and publication has been ensured and where our Republic is getting ready for multi-party elections and is moving towards adopting a new constitution. Regarding the people's diplomacy, the obstruction of the coup attempts in October 1994 and in March 1995 were victories of the people's diplomacy, a fact that can never be denied. President Geydar Aliyev called on the social democratic leaders to be more careful and alert against those of its members who only pursue their personal interests and goals under the cover of democracy. [end recording]

Security Ministry Denies Involvement

NC2405142995 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1250 GMT 24 May 95

[FBIS Translated Text] According to the news agencies SNARK and IMA-PRESS, Armenian Deputy Foreign Minister Vardan Oskanyan has stated that Armenia has suspended its activity in the OSCE Minsk group called to settle the Karabakh conflict. He explained this position by claiming that Azerbaijan was allegedly involved in bombing the gas pipeline entering Armenia via Georgia. Oskanyan announced that if the Minsk Group does not ask Azerbaijan to refrain from such action, Armenia will not take part in the new round of talks in Helsinki in June aimed at settling the conflict.

The Azerbaijani National Security Ministry states resolutely that the special services of Azerbaijan have nothing to do—they can have nothing to do—with the bombing of the gas pipeline entering Armenia via Georgia. The Azerbaijani side reiterates the position it has stated often that Azerbaijan is not involved in any sabotage on the territory of another country.

Foreign Ministry Statement Cited

LD2405204995 Moscow ITAR-TASS in English 1948 GMT 24 May 95

[By Sevindzh Abdullayeva and Viktor Shulman]

[FBIS Transcribed Text] BAKU, May 24 (Itar-Tass) — Azerbaijan expressed its bewilderment on Wednesday in connection with the statement of Armenia's Foreign Ministry that Armenia withdraws from the OSCE-brokered [Organization for Security and Cooperation in Europe] talks on the Nagorno-Karabakh settlement. Armenia accused Azerbaijan of its alleged involvement in the latest blast on a vital pipeline to Armenia on Georgian territory.

The Azerbaijan Foreign Ministry said in a statement that "firstly, the republic (Azerbaijan) is not responsible for events that happened on the territory of another state, secondly, Azerbaijan which has fallen victim not only to Armenian aggression but also to numerous acts of terrorism, killing and crippling hundreds of peaceful citizens, has repeatedly denounced and once again denounces the practice of international terrorism."

Azerbaijan regards Yerevan's decision as "an attempt to distract the attention of the world community from the continuing occupation of 20 percent of Azerbaijan's territory by Armenian armed forces, from the fact of 'ethnic purge' committed by a neighbouring state on the captured territories, where over a million Azeris have been driven from their native land," the statement says.

Azerbaijan also claims that Armenia's decision is in effect an attempt to sabotage the peace process resumed with such tremendous effort under OSCE aegis, blockading the world community's mediatory activity in implementing decisions of the Budapest summit. The Foreign Ministry believes that "Armenia is trying to fix the results of its annexionist policy towards Azerbaijan." At the same time, Azerbaijan reaffirmed its adherence to the ceasefire and peaceful settlement of the conflict at the negotiating table.

Further on Ministry Statement

NC2405164295 Baku TURAN in English
1144 GMT 24 May 95

[FBIS Transcribed Text] Baku, May 24 (TURAN)—Today Azerbaijan's Foreign Ministry reported that the Azerbaijani Government does not bear responsibility for explosion of the gas pipeline on the territory of Georgia on May 21.

Azerbaijan's Foreign Ministry said that accusations of the Armenian Foreign Ministry are proofless, Baku is not involved in the explosion, and Yerevan's resolution concerning suspension of its activity in the OSCE Minsk Group is groundless.

"The resolution of the Republic of Armenia on suspension of its participation in the talks is aimed at breaking of the talks on settlement of the Armenian-Azerbaijani conflict within the framework of the OSCE Minsk Group, which have been resumed recently," the statement of the press-centre of the Foreign Ministry reports.

At the same time the Azeri party once again acknowledged its adherence to observation of the cease-fire regime on the Armenian-Azerbaijani front and peace settlement of the conflict by the negotiations within the OSCE framework.

Foreign Minister's Comments Cited

NC2405184695 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 24 May 95

[FBIS Translated Text] Claiming alleged involvement by Azerbaijan in the bombing of the gas pipeline entering Armenia from Georgia, Armenian Deputy Foreign Minister Vardan Oskanyan has stated that Armenia has suspended its activities in the OSCE Minsk group and will not participate in any talks on the settlement of the Nagorno-Karabakh conflict.

Republic Foreign Minister Gasan Gasanov expressed his position on this issue.

[Begin recording] [Gasanov] My position on the issue is definitely negative, in that Azerbaijan has already stated, and it still maintains the same position, that it favors the negotiated and political solution to the problem and we would like this problem to be solved within the OSCE Minsk group. This action of the Armenians is not unnatural; it reveals their true nature. Although they are participating in the talks, at the same time with their various actions they show that they really have no intention of returning land. They think, and often they do not conceal this fact in their statements, that lands gained by fire and losses cannot be returned at the table. Their latest action only reveals their true nature. Therefore, we have made an appeal to the international organizations. On their part, they [the Armenians] too are appealing to the Security Council. On our part, we also appealed to the Security Council and clarified these matters. I do not want to go into the details showing that Azerbaijan has definitely not been involved in the bombing of the gas pipeline; there is no basis or fact supporting this. The real aim here is that in general Armenia does not want to hold talks.

[Interviewer Esmira Cherkezkizi] In this way they are intentionally delaying the Major Peace Agreement.

[Gasanov] Exactly. They are calculating that they have won the land and have to benefit from it. Since this is not what we want we have to work to have the talks resumed. We have to seek a way out of this situation and force the Armenians to come to the table. [end recording]

The Republic's Foreign Ministry has sent a statement to the UN Security Council on this issue.

Gasanov Criticizes Armenia

LD2405145595 Moscow INTERFAX in English
0930 GMT 24 May 95

[FBIS Transcribed Text] BAKU, May 24 (Interfax) — Azeri Foreign Minister Gasan Gasanov has described Armenia's decision to suspend its participation in the talks on the Karabakh settlement within the framework of the Minsk OSCE [Organization for Security and Cooperation in Europe] Group as "Yerevan's desire to frustrate the political process of the settlement and the implementation of the decisions of the Budapest OSCE summit on Nagorno-Karabakh".

In an interview with Interfax on Wednesday, the Minister denied Yerevan's accusations that the explosion on the Georgian territory on May 21 of the pipeline saturating [as received] Armenia, was carried out by "agents of the Azeri government".

"The explosion was made by Armenians themselves, who use it as an argument in the political struggle in conditions of the aggravation of contradictions between President Levon Ter-Petrosyan and the temporarily banned opposition party Dashnaktsyutyun," said Gasanov.

The Armenian Government declared the suspension of its participation in the talks of the Minsk OSCE Group in the evening of May 22, linking this decision with the explosion of the pipeline in the Marneulsky District of Georgia last Sunday. Accusing of the diversion "agents of the Azeri government", Yerevan said that it will not resume its participation in the talks until the OSCE and the world community give guarantees for cessation by Azerbaijan of "grave violations of the truce and international acts of terrorism".

Says Armenia Focus of CIS Summit

LD2505114295 Moscow INTERFAX in English
1056 GMT 25 May 95

[FBIS Transcribed Text] BAKU, May 25 (Interfax) — Azerbaijan at the forthcoming CIS summit in Minsk intends to draw the attention of CIS heads of state to "Armenia's refusal to participate in the peace process for resolving the Armenian-Azerbaijani conflict," Gasan Gasanov, Azerbaijan's foreign minister told Interfax on Thursday.

"CIS heads of state must know that in Armenia there are unreliable and insincere political systems and politicians," Gasanov said.

Hasanov said that the Azerbaijani delegation would inform the participants of the meeting that "Armenia on far-fetched pretexts intends to walk out of the Minsk process on settling the Armenian-Azerbaijani conflict."

Guliyev Blames Armenia for Bombing

NC2405195195 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 24 May 95

[FBIS Translated Text] Commenting on the bombing of the gas pipeline entering Armenia from Georgia and on the Armenian Government's statement on it, Chairman of the Supreme Soviet Rasul Guliyev declared that this fact once more proves that Armenia is not yet ready for a constructive dialogue and intends to resume the military operations. The parliament speaker added that this also proves that the Armenians themselves carried out the bombing of the gas pipeline in Marneuli to create obstacles to the talks.

Commenting on this issue, Vafa Gulizade, state adviser on foreign affairs, noted that the bombing was the consequence of the political struggle within the Armenian Republic. In Vafa Gulizade's opinion, this act was committed by the Armenian groups fighting against each other.

Prime Minister Leaves For Paris To Seek Credit

NC2405144395 Baku TURAN in English
0655 GMT 24 May 95

[FBIS Transcribed Text] Baku (May 24) TURAN—Today Azeri governmental delegation led by Prime-Minister, Fuad Guliyev, left for Paris for the meeting of the donor-countries organized by the World Bank with the purpose to provide financial assistance to Azerbaijan.

On May 29 there will be the meeting of the Consultative Council of "Paris Club" on Azerbaijan and the representatives from the United States, Japan, Germany, Great Britain, the IMF and European Bank for Reconstruction will take part at the meeting.

The State Adviser for Economy, Vahid Ahundov says that Azerbaijan intends to ask the "Paris Club" to allot $300 million credit for concrete projects.

The same source reported that Azerbaijan will present three packets of program at the Consultative Council: on structural changes ($25 million), technical assistance and investment.

The last program is the biggest one; it needs considerable investment in priority economic spheres — energy, transport, communication, land improvement, health service and ecology of the Caspian sea.

Turkish Energy Minister Releases Statement

TA2505081395 Ankara TRT Television Network in Turkish 2010 GMT 24 May 95

[Report by Mehmet Alkas in Baku]

[FBIS Translated Text] Veysel Atasoy, minister of energy and natural resources, has said that Turkey claims the first oil to be drilled in Chirad, on the Azerbaijani side of the Caspian Sea.

Atasoy released a statement after completing his contacts in Baku. He said the bilateral talks he held were very useful and were held in a warm atmosphere. He stressed that the first oil to be drilled in Chirad is important to ensure a smooth production process and must be marketed quickly. For this purpose, he said, Turkey wants to buy the first oil and is holding talks with Georgia so that it can be transported via that country. We are claiming this oil because we do not want the project to face any obstacles or hitches.

Atasoy pointed out that after it gained its independence, Azerbaijan began to assume an important position in the world's oil policy. He recalled that the International Oil Consortium will begin experimental production as of next year.

As a second megaproject, the minister cited the (Shahdeniz). He stated that talks are under way and that Turkey will participate in this consortium with a 15-percent share.

Atasoy stressed that the most economic way to transport Caspian oil to the international markets is through a pipeline from the Caspian to Turkey. He also said he does not believe that the status of the Caspian Sea will affect the program of the International Consortium.

Parliament Speaker on Settlement of Caspian Status

NC2505143195 Baku TURAN in English
1535 GMT 24 May 95

[FBIS Transcribed Text] Baku (MAY 24) TURAN—"[The] Azeri position to the Caspian status calls for division of the Caspian into national sections and the sovereignty of each pri-Caspian [as received] state will be preserved on these sections. It seems to me that all pri-Caspian countries must back up this position, there cannot be another opinion", the speaker of the Azeri Parliament, Rasul Guliyev, told Turan's correspondent.

Rasul Guliyev mentioned that at present Azerbaijan's, Kazakhstan's and Turkmenistan's positions to the Caspian status coincide. "There can be different opinions on this issue, but just and final settlement of the problem will be division of the Caspian into sections in accordance with the world practice and norms", Rasul Guliyev mentioned.

Georgia

U.S. Joint Chiefs Chairman Departs for Ukraine

LD2405120095 Tbilisi Radio Tbilisi Network
in Georgian 0700 GMT 24 May 95

[FBIS Translated Excerpt] General John Shalikashvili, chairman of the U.S. Joint Chiefs of Staff, yesterday ended his working visit to Georgia. Yesterday, Shalikashvili and Shevardnadze visited Kakheti. [passage omitted]

This morning, Gen. Shalikashvili left for Lviv, Ukraine.

Finance Minister To Negotiate EBRD Credit

LD2405131995 Tbilisi Radio Tbilisi Network
in Georgian 1200 GMT 24 May 95

[FBIS Translated Text] Here is a decree by the Georgian head of state on granting special powers to Georgian Finance Minister Davit Iakobidze:

With the aim of signing an agreement of guarantee for the credit to be allocated by the EBRD to the Sakenergo [Georgian power company] department, Georgian Finance Minister Davit Iakobidze is to be granted special powers to hold negotiations on behalf of the Republic of Georgia in connection with the above agreement, and to sign the agreement as well as all the documents connected with it.

Shevardnadze Restructures Foreign Trade System

AU2405194995 Tbilisi SAKARTVELOS RESPUBLIKA
in Georgian 18 May 95 p 4

["Edict of the Georgian Head of State on Perfecting the State Mechanism for Coordinating and Regulating Foreign Economic Relations"; place and date not given]

[FBIS Translated Text] The acceleration of economic reforms in Georgia, the positive shifts in the sphere of the country's political and financial stability, the treaties concluded with international organizations and foreign countries, and the consistent implementation of IMF and World Bank recommendations have significantly increased the flow of foreign investments into Georgia and the potential for the involvement of the Georgian economy in processes of international integration. The interest of foreign business circles in Georgia's economic potential is systematically growing, which is creating the basis for a sharp increase in the intensity of foreign economic activity in the near future.

In this connection, the system of foreign trade requires significant restructuring. In conditions of the liberalization of trade, a particular role is attached to the qualified regulation of exports and imports, the extension and qualitative improvement of the domestic market, the protection of international rules governing trade, and the rapid and effective influence on commercial and economic relations. The development and deepening of relations with international organizations and foreign countries and the use of aid provided by donor countries and organizations require a systematic and more coordinated approach.

Modern conditions demand that the heads of ministries, departments, organizations and institutions, and private and state enterprises conduct foreign economic relations in a qualified and professional manner, which often cannot be done on account of a number of objective or subjective reasons. Conducting foreign economic relations in an unqualified manner often forms the basis for significant economic damage.

The situation that has taken shape calls for the rapid and qualitative restructuring of the state mechanism for the management and regulation of foreign economic activities.

With the aim of implementing a single foreign economic policy and strengthening state discipline in this sphere and perfecting the state mechanism for coordinating and regulating economic relations with foreign countries and international organizations:

1. To establish that the Republic of Georgia Committee for Foreign Economic Relations implements the total

state coordination of the Republic of Georgia's foreign economic activities.

Republic of Georgia central and local bodies of administration and state organizations, institutions, and enterprises coordinate the basic directions of foreign economic activities, investment projects, financial and investment proposals, and the forms and methods of investment activities with the Republic of Georgia Committee for Foreign Economic Relations and will take its recommendations into account within the scope of the committee's powers.

2. To establish that the decisions, regulations, instructions, and methodical guidelines adopted by the Committee for Foreign Economic Relations within the scope of its powers are binding for the republic's ministries and departments and also enterprises and organizations, irrespective of their form of ownership and their organizational and legal profile.

3. To establish that the Republic of Georgia Committee for Foreign Economic Relations carries out the state registration of foreign investments.

4. To establish that Republic of Georgia state property can participate in enterprises of any organizational and legal profile that have been created outside the republic's borders upon agreement with the Republic of Georgia Committee for Foreign Economic Relations. [sentence as published]

5. Taking into account the stepping up of economic cooperation with CIS member states, to view as expedient the creation of a department for CIS issues attached to the Committee for Foreign Economic Relations and to entrust it with coordinating economic cooperation with CIS member states.

6. The Republic of Georgia Committee for Foreign Economic Relations:

— Is to ensure the expansion of cooperation with international economic financial and regional organizations with the aim of increasing donations for Georgia and implementing projects that are of the greatest importance to the republic;
— Taking into account the demands of the development of priority branches in the Republic of Georgia's economy, is to step up work in the sphere of attracting foreign credits and investments and, along with corresponding ministries and departments, is to ensure, within the scope of its powers, the coordination and regulation of the use of foreign investments and credits;
— Is to coordinate technical assistance received from international organizations and foreign countries;
— Along with the Republic of Georgia Ministry of Economy, the Committee for Science and Technologies, and interested ministries and departments and research institutions, is to devise and put into operation a mechanism for selecting and appraising priority projects and business plans with the aim of using financial resources in an effective way and guaranteeing general state interests. In order to accomplish these tasks and prepare investment proposals, technical and economic arguments, and business plans at the level of international requirements, a self-financing investment and consultative organization is to be created;
— To ensure the preparation of the corresponding documents for perfecting the legislative system in the sphere of foreign economic relations;
— Along with the Republic of Georgia Ministry of Trade and Material Supply, is to ensure the elaboration of Republic of Georgia draft commercial and economic treaties with foreign countries and international economic organizations and control over their implementation, on which it is to report systematically to the Republic of Georgia Cabinet of Ministers and the apparatus of the Georgian head of state;
— Is to prepare within one month and submit to the republic's Cabinet of Ministers and the apparatus of the Georgian head of state information on perfecting the state regulation of exports and imports, the creation and functioning of free zones on Georgian territory, and the protection of Georgia's domestic market and its extension and qualitative improvement;
— Is to ensure systematically the study of world market economic forces and prices and prepare qualified recommendations for the republic's industrial and commercial organizations;
— Is to ensure that an analysis is made of the situation regarding exports and imports, devise growth rates and ratios and measures aimed at increasing the efficiency of foreign trade within the scope of its powers, and control and regulate exports and imports;
— With the aim of boosting the production of competitive goods in Georgia, is to outline specific measures aimed at improving quality control regarding exports and imports; is to be guided by the method of certifying the origin of goods according to current international practice.

7. State-commercial organizations subordinate to the Committee for Foreign Economic Relations are to step up sharply their activities in order to ensure the export of goods produced in the republic and the import of goods that are essential to the republic.

8. The Republic of Georgia Cabinet of Ministers:

— Taking into account current conditions, is to establish within one month a list of goods that are of strategic importance to the republic and devise an effective mechanism for registering and protecting such goods and controlling their export;

— With the aim of improving control over the export of basic goods and upholding international rules governing trade, is to establish within one month a price index for basic exports; is to analyze and adjust it systematically;

— Is to devise a mechanism for providing incentives to producers of goods for export;

— Is to devise within one month a mechanism for providing the republic with essential goods using the aid and loans allocated by international organizations and foreign countries;

— Is to ensure that the Committee for Foreign Economic Relations participates without fail in discussion of issues relating to customs, taxation, and tariff and trade policy;

— Is to give the Committee for Foreign Economic Relations a suitable building and transport;

— Is to provide the Committee for Foreign Economic Relations with a staff of 15 and increase the funds allocated to the committee for business trips and economic needs.

Civic Union Joins Parliament Election Marathon

LD2505104295 Moscow INTERFAX in English
0944 GMT 25 May 95

[FBIS Transcribed Text] TBILISI, May 24 (Interfax) — The Georgian Civic Union chaired by Georgian leader Eduard Shevardnadze will join the parliament election marathon with a platform aiming at better living standards and order.

Union Secretary General Zurab Zhvania said Wednesday [24 May] in Tbilisi that the platform will be approved in June at a congress of Georgia's largest political organization.

"There will be no general words in the platform. Everything will be most specific and we are planning to offer the electors an agreement which can be controlled anytime," said Zhvania.

In the opinion of local political observers, the Union chances to win the parliamentary elections of October 1995 directly depend on popularity of Shevardnadze in Georgia. Were the elections held today the Union would win, but it is hard to predict Shevardnadze's rating in October. Much will depend on his policy in Abkhazian settlement.

Estonia

Ukrainian President Arrives, Meets Meri

LD2405153895 Tallinn Estonian Television Network in Estonian 1500 GMT 24 May 95

[FBIS Translated Text] Ukrainian President Leonid Kuchma arrived in Estonia an hour ago for an official visit. During his visit the Ukrainian head of state and [Estonian] President Lennart Meri will sign two important documents: a declaration of the Estonian and Ukrainian presidents on strengthening cooperation and partnership, and the Estonian-Ukrainian free-trade agreement. Leonid Kuchma would also like support from Estonia on [Ukraine] becoming a member of the Council of Europe. The Ukrainian president is also interested in NATO's role in Eastern Europe.

At the moment Leonid Kuchma is meeting with President Lennart Meri in Kadriorg [presidential residence].

Kuchma, Meri Sign Documents

LD2405204795 Tallinn Radio Tallinn Network in Estonian 1700 GMT 24 May 95

[FBIS Translated Text] Next, the promised recording about the meeting of Estonian and Ukrainian presidents. Correspondent Piret Kriivan has just returned from Kadriorg [presidential residence].

[Kriivan] The Ukrainian president's special plane landed at Tallinn Airport at 1700. The Ukrainian president and his wife arrived in Estonia from Riga where he had meetings with the Latvian president and other leaders of the republic. The Latvian and Ukrainian presidents signed a friendship and cooperation treaty and a joint political declaration.

One of the aims of Ukrainian President Leonid Kuchma's Estonian and Latvian visits is for him to familiarize himself with the two countries' economic life since the collapse of the Soviet Union, and find political support with regard to Ukraine joining the Council of Europe.

This is the second visit by Leonid Kuchma to Estonia as a statesman. He was previously in Estonia in 1993 as Ukrainian prime minister. The Ukrainian president is accompanied by an official delegation which includes Foreign Minister Hennadiy Udovenko, Foreign Economic Relations Minister Serhiy Osyka, State Customs Committee Chairman Yuriy Kravchenko, Justice Minister Vasyl Onopenko, and Viktor Yushchenko, chairman of the board of the National Bank of Ukraine.

At 1800 an official reception took place in front of Kadriorg palace. Then Ukrainian President Leonid Kuchma had a meeting with Estonian President Lennart Meri. Of the agreements concluded, previously the most important one for Ukrainian-Estonian relations, is the friendship and cooperation treaty, which was concluded in Tallinn in 1992. This document provided an impetus for relations between the two countries in all spheres. In total, 12 agreements have been concluded between Estonia and Ukraine, covering various walks of life. Today, several further agreements were concluded.

The Ukrainian and Estonian presidents have signed a declaration on strengthening cooperation and partnership, as well as a free trade agreement which was initialled in Tallinn last week. The transport ministers of the two countries have signed a sea transport agreement. Here is Estonian President Lennart Meri.

[Begin Meri recording] Just now, work which has been carried out over a long period of time and with care has been completed. In the three signed documents, Estonia and Ukraine state jointly their resolve and resolution for close cooperation, for mutual cooperation, and for cooperation with the rest of Europe. The free trade agreement and the sea transport agreement will ensure specific cover to our declarations of principle. Looking at their spirit and the technical standards within them, they are in every way modern European agreements. They will assist — referring to words in your letter, President Kuchma — to describe democratic processes and make their contribution toward ensuring European stability and security.

I said that work on these three documents has now been completed. This will of course mean that work on their implementation is just about to begin. I hope and believe that we will do this with full care and a sense of responsibility. As a way of laying symbolic emphasis, I have decided to also sign a fourth document in your presence — the resolution of the president of the Republic of Estonia which promulgates the law on the ratification of the Estonian-Ukrainian agreement encouraging and protecting investment. [end recording]

[Kriivan] Tomorrow, Ukrainian President Leonid Kuchma will meet Prime Minister Tiit Vahi, Foreign Minister Riivo Sinijarv, and Riigikogu Speaker Toomas Savi. Leonid Kuchma will lay a wreath at the monument near the Reaalkool [school in Tallinn], commemorating the Estonian War of independence.

Kuchma Meets Speaker of Riigikogu

LD2505110195 Tallinn Radio Tallinn Network in Estonian 1000 GMT 25 May 95

[FBIS Translated Text] Ukrainian President Leonid Kuchma met Toomas Savi, speaker of the Riigikogu, today. According to the press service of the Riigikogu, in addition to the Ukrainian delegation, representative of the Riigikogu factions attended the meeting. During the discussion, Toomas Savi briefed the guest about the elections of the eighth Riigikogu and the balance of political power in the Estonian parliament.

Comparing the work of the Estonian and Ukrainian parliaments, the guests were pleasantly surprised when they heard that priority was given in the Riigikogu to drawing up legislation and not to political debates, the Riigikogu press service reported. The meeting reached the position that the parliaments of the states that have broken free from the former Soviet Union should intensify cooperation between them. The meeting also noted the need for closer ties between the Estonian and Ukrainian parliaments.

Defense Minister Meets German Military Delegation

LD2505104095 Tallinn Estonian Television Network in Estonian 1730 GMT 24 May 95

[FBIS Translated Excerpt] A delegation of the German defense forces General Staff paid a brief visit to Estonia.

[Begin recording] [Unidentified correspondent] The Estonian defense forces are attempting to widen their links with defense forces all over the world. The German delegation also met with Defense Minister Andrus Oovel. What were the subjects discussed?

[Unidentified official] The meeting took place under the two- year cooperation plan that was signed last September. General Staff personnel meetings amount to a very widespread form of cooperation between the top military command. The main subjects discussed were our mutual positions on building up the European security system. We found we had very much in common. [passage omitted]

[Correspondent] How does the German delegation's leader rate this visit?

[Delegation leader, in German with superimposed translation into Estonian] I am very satisfied with this visit. Our first General Staff talks took place, a General Staff meeting, where we made a beginning in cooperation in this field. [passage omitted]

[Correspondent] The German defense forces have pledged their assistance if Estonia wants to join NATO. [end recording]

Minister on Nordic Baltic Defense Meeting

LD2405161795 Tallinn Radio Tallinn Network in Estonian 0900 GMT 24 May 95

[FBIS Translated Text] Estonian Defense Minister Andrus Oovel has said that the Baltic states must have a joint airspace monitoring system. He said this after returning from a meeting of defense ministers from the Nordic countries and Baltic states held on the island of Bornholm in Denmark.

Oovel said the Baltic states share the view that they must have a joint airspace monitoring system at the level of both primary and secondary radar networks.

The meeting in Bornholm discussed the expansion of defense cooperation between the Nordic and Baltic states, in other words, how to move from peacekeeping to peace enforcement. He added that the Baltic states are receiving assistance from the Nordic countries on setting up the Baltic peacekeeping company.

The defense ministers discussed humanitarian and rescue operations, training troops, and the formation of joint logistics systems for the Nordic and Baltic countries. Oovel noted that the opportunity to take part in forming Nordic security and in gaining awareness of dangers facing a changing Europe is very important for Estonia and the other Baltic states.

Latvia

Reportage on Ukrainian President Kuchma's Visit

Agreement on Need To Expand NATO

LD2405142295 Moscow INTERFAX in English 0930 GMT 24 May 95

[FBIS Transcribed Text] RIGA, May 24 (Interfax-Ukraine) — Ukrainian and Latvian Presidents Leonid Kuchma and Guntis Ulmanis agreed to the opinion that the process of NATO's expansion should not lead to a new division of Europe into two camps, Ukrainian President Leonid Kuchma reported to Ukrainian journalists accompanying him during his official visit to Latvia in the evening of May 23.

"The process of NATO's enlargement is under way and it is impossible to stop it," Kuchma said and added that "the Ukrainian side does its best so that it is being implemented taking into account Ukraine's national interests."

Kuchma did not answer the question concerning Ukraine's possible request to be admitted to NATO in the near term. He noted that in accordance with the declaration on sovereignty Ukraine is a non-allied state. "At the same time I understand that it is nonsense for Ukraine to be a non-allied state," he said. "Ukraine's geographical position contradicts this doctrine," Kuchma said.

"We say that NATO's doors should not be closed for anybody," he said.

Kuchma said that Ukrainian-American military exercises were started on May 23 in Ukraine. "We shall undertake all moves with respect to NATO bearing in mind Ukraine's national interests," Kuchma pointed out.

Responding to Interfax-Ukraine concerning prospects of cooperation between the Black Sea basin states and the Baltic states Kuchma said that "the Latvian party has backed this idea and we have given corresponding instructions to our experts."

In his words, in the frameworks of cooperation between countries of these two regions "the economic sphere will give birth to political relations and vice versa."

In the afternoon of May 24 the Ukrainian and Latvian presidents will hold a joint conference on the results of Kuchma's state visit to Riga.

Kuchma Meets With Foreign Minister

WS2405142695 Tallinn BNS in English
1300 GMT 24 May 95

[FBIS Transcribed Text] Riga, May 24, BNS — Latvian Foreign Minister Valdis Birkavs met Tuesday [23 May] with Ukrainian President Leonid Kuchma and they evaluated the state visit of the Ukrainian representatives as a historic event which has laid basis for mutual cooperation as well as starting coordination of activities in international organizations, Foreign Ministry's spokesman Rihards Mucins told BNS.

Latvia promised Ukraine to support its admission to the Council of Europe.

Latvia also expressed support for democratic and economic reforms in Ukraine and stressed that Ukraine is taking an extremely important position in the new European security system. Latvia is ready to share its experience with Ukraine on the course of economic reforms by organizing meetings of the respective experts.

Birkavs and Kuchma agreed that, in order to strengthen the further relations between the two countries, a free trade agreement, and accord on mutual protection of investments, a convention on avoidance of double taxation as well as an agreement on protection of intellectual property must be signed.

During consultations on processes going on in the Commonwealth of Independent States (CIS), Birkavs said that Latvia is interested in bilateral cooperation but does not want it to be perceived as willingness to join CIS collective structures.

Latvia stressed that the issue of Crimea is an interior affair of Ukraine, which must be solved in compliance with the Ukrainian legislation.

Kuchma showed interest in closer cooperation with the Council for Baltic Sea States as well as in establishing an economic union of the Black Sea countries and the Baltic states. Latvia thinks that these issues are still to be discussed in order to make clear concrete cooperation forms in these areas.

Successful Joint Summit Hailed

LD2405202595 Moscow INTERFAX in English
1713 GMT 24 May 95

[FBIS Transcribed Text] RIGA, May 24 (Interfax) — The presidents of Ukraine and Latvia, Leonid Kuchma and Guntis Ulmanis, ended two days of talks in Riga Wednesday [24 May] by describing the bilateral summit as being both successful and fruitful.

At a joint press conference in Riga, they stated identical views on almost all issues and the absence of any political problems between the two countries.

The two leaders signed a political declaration and an outline friendship and cooperation treaty. Other agreements include customs cooperation, mutual legal assistance and air links with each other.

Both Kuchma and Ulmanis said that the question of wider economic cooperation, now unsatisfactory, dominated the agenda of their talks.

The two sides also agreed that steps must be taken to create a Baltic-Black Sea Economic Cooperation area. Agreement was also reached to draw up agreements on investment protection and avoiding dual taxation in the next two months, both of them to be signed as Ulmanis arrives on a return visit to Kiev in August or September.

The two countries are also expected to work out an agreement on members of the Latvian community in Ukraine and the Ukrainian community in Latvia. The two sides agreed that only careful steps could help resolve issues in this "delicate sphere."

On Crimea, the two presidents agreed that it was and must remain part of Ukraine.

Ulmanis 'Very' Satisfied With Visit

LD2405130895 Riga Radio Riga Network in Latvian
1200 GMT 24 May 95

[FBIS Translated Text] Ukrainian President Leonid Kuchma and that country's delegation will end their visit to Latvia in an hour. The delegation will then go to Tallinn.

This morning, the Latvian and Ukrainian presidents visited the only Ukrainian school in the Baltics, which is in Riga. Leonid Kuchma commended the Latvian state's concern for Ukraine and the establishment of the minority school.

The presidents of the two countries held a news conference in Riga Castle at noon. During the news conference, Leonid Kuchma said that he is expecting the Latvian president to arrive in Kiev within the next few months.

An hour ago, the Latvian and Ukrainian presidents opened the Ukrainian embassy in Latvia. Ambassadors of many countries and representatives of the government and the Ministry of Foreign Affairs also took part in the opening ceremony. At the opening of the embassy, President Guntis Ulmanis said:

[Begin Ulmanis recording] I am genuinely pleased to congratulate today the Ukrainian counterpart, the Ukrainian state, and the Ukrainian people on this significant day, on the opening of their embassy, on these two days, when [words indistinct] was discussed, when much was remembered and still more was being planned for the future. If you ask me today whether we are satisfied with the two-day visit, I would say: very much so. We agreed on many issues. But we are not such big idealists, either, and we do not think that our joy today is the only guarantee for our future. We know that we will hide this joy and today's satisfaction deep in our pockets, so that tomorrow we can begin working diligently and hard; and this house will have to carry a large part of this hard work in shaping future relations between Ukraine and Latvia. [end recording]

Lithuania

Slezevicius, Chernomyrdin Discuss Bilateral Relations

LD2305172295 Moscow ITAR-TASS in English 1701 GMT 23 May 95

[By Vladas Burbulis]

[FBIS Transcribed Text] VILNIUS, May 23 (Itar-Tass) — A telephone conversation of Russian Prime Minister Viktor Chernomyrdin and his Lithuanian counterpart Adolfas Slezevicius was held today to discuss aspects of bilateral relations. In the words of a Lithuanian government representative for press, the sides focused on monetary deposits and embassy buildings.

They also dwelt on bilateral trade relations. The Russian Premier noted that "expanded rights of the Kaliningrad regional administration open up new possibilities of Lithuanian economic cooperation with the neighbouring Russian region."

Slezevicius invited the Russian government head to come to Lithuania on a visit. "The preliminary date of this visit is September 1995," says the report.

Discuss Cooperation Problems

LD2405142495 Moscow INTERFAX in English 0930 GMT 24 May 95

[FBIS Transcribed Text] VILNIUS, May 24 (Interfax) — Further development of cooperation between Lithuania and Russia were the main subject of a telephone conversation on Tuesday [23 May] initiated by Lithuanian Prime Minister Adolfas Slezevicius with Russian Prime Minister Viktor Chernomyrdin.

A spokesman for the Lithuanian government has told Interfax that while discussing the expansion of trade between the two countries, Chernomyrdin drew his counterpart's attention to the fact that broader rights in this sphere for the administration of the Kaliningrad Region (a Russian exclave between Poland and Lithuania) opens new opportunities for increasing mutual trade turnover.

Chernomyrdin also confirmed that before the end of the year Russia will settle accounts with the depositors of the former Soviet Vnesheconombank, living in Lithuania, but whose savings emerged in Moscow.

According to the Lithuanian state bank, Lithuanian inhabitants kept in Vnesheconombank deposits to the total sum of around $7.2 million. Throughout the past four years, when the depositors were unable to control their savings, the sum increased up to around $10 million due to the interest rates. In addition, deposits of the Lithuanian juridical persons to the sum of around $150 million appeared in Moscow.

The Russian prime minister, in a telephone talk, said the spokesman, also said that the problems associated of the buildings of diplomatic representations in Paris and Rome belonging to Lithuania but obtained by Russia, are to be solved positively soon.

Also discussed were prospects of the working visit by Chernomyrdin to Vilnius. The visit is likely to take place in September.

Data Show Russia Remains Main Trade Partner

WS2405135495 Vilnius ELTA in English 1314 GMT 23 May 95

[From "News Bulletin" No. 762]

[FBIS Transcribed Text] Vilnius, May 23, ELTA — According to the data provided by the Lithuanian

Industry and Trade Ministry, in 1994 Lithuania exported goods to foreign countries for 8.077 billion litas (in 1993 — for 8.707 billion litas), while its imports amounted to 9.355 billion litas in 1994 (9.798 litas in 1993).

According to the Vice-Minister Algimantas Peceliunas, the reduction of commodity circulation is linked with the marked decrease of trade volumes with CIS countries.

Since 1990 — during the four-year period Lithuania's volumes of export to the CIS countries decreased from 84.7 per cent to 46.7 per cent and imports from CIS countries dropped from 72.5 per cent to 50.2 per cent.

Up till now Russia remains the main Lithuania's trade partner, which is also the main supplier of energy resources to Lithuania.

According to Peceliunas, Lithuania's political orientation towards the West cast no doubts, nevertheless, he refused to accept the idea that Lithuania had to restrict its trade relations with Russia, as this would bring harm to the local manufacturers, whose production used to be oriented to the Eastern market.

According to the vice-minister, the process of Lithuania's orientation towards the Central European market was too slow. This reorientation is very important for Lithuania with respect to the fact that Czechia, Slovakia, Hungary and Poland belong to the Central European Foreign Trade Association (CEFTA), which members have certain trade concessions. Lithuania is also seeking membership in the Association.

Lithuania's trade with the European Union (EU) countries was growing more rapidly than the total foreign trade of the country. In 1994 Lithuania's exports to the EU grew up from 16.9 per cent to 25.8 per cent, while imports — from 18.7 per cent to 26.4 per cent.

Lithuania's trade relations with the EU countries have become more active since the beginning of this year, as the free trade agreement between Lithuania and the EU came into force.

Besides Russia, Germany is another biggest Lithuania's trade partner.

In 1994 total amount of commodity circulation between Lithuania and Germay made 2214.1 million litas, or 24 per cent of the total Lithuania's foreign trade turnover.

Among other largest Lithuania's trade partners are the Ukraine (annual commodity circulation amounted to 964.3 million litas in 1994, or 13 per cent of the total Lithuania's foreign trade turnover), Latvia (936.9 million litas, or over 5 per cent), Belarus (885.5 million litas, or 5 per cent), Poland (779.6 million litas, or 5 per cent), Netherlands, Sweden, Italy and some other countries.

Ministers Discuss Growing Crime Problem

LD2405110995

[FBIS Editorial Report] Vilnius Radio Vilnius Network in Lithuanian at 0730 GMT on 24 May broadcasts a regular 25-minute Wednesday radio interview with Lithuanian Prime Minister Adolfas Slezevicius by an unidentified correspondent.

Slezevicius admits that crime in the country remains a very difficult issue and emphasizes the problem of organized crime. He says: "Last year, for the first time during the past five years, we managed to stop the overall growth of crime rate; the total number of criminal offenses decreased by 3 percent."

Slezevicius admits that the criminal world is far from defeated. He says: "Everyone knows that crime is becoming more organized, and that criminals are becoming more professional. During the first three years of independence, attempts were made to persuade the public that organized crime does not exist in Lithuania and that this problem is very insignificant."

Slezevicius adds: "Indeed, organized crime exerts its influence and pressure not only over society, but also over state institutions, the police, and the customs and border control service." He continues: "This pressure is especially felt when resolutions or laws are being passed concerning such sensitive areas as trade in alcohol, tobacco, oil, and other products, which generate enormous profits. Obviously, there is a very significant conflict of interests here, and therefore, great dissatisfaction is voiced whenever regulations are tightened, because such measures are immediately described as indicating a negative attitude on the part of the government or lawmakers toward the development of private business."

Slezevicius notes the expanding cooperation of Lithuanian criminals with their partners abroad. He says: "From being a totally closed country in the past, we have now become a totally open country. In some areas, we have even become too open, because due to technical, economic, and financial circumstances we have not managed to impose sufficient control over our borders and territory."

During his interview, Slezevicius introduces Interior Minister Romasis Vaitiekunas, who says 20,000 criminal offenses were recorded during the first four months of 1995; 14,000 of these offenses were thefts, including 2,000 thefts of motor vehicles.

Vaitiekunas notes that two thirds of all homicides are household murders related to people's lifestyle or alcoholism, and says that this is something law enforcement institutions find difficult to influence.

Vaitiekunas adds: "We are concerned about criminals upgrading their work and entering new spheres of activity, for example, dealings with serious commercial banks. There are indications which allow us to suggest that there are cases of money laundering. Joint ventures with foreign partners also often help launder illegally acquired money."

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